

# 10 Step Process to Balance Your Checkbook

## **STEP 1 - Reconcile Your Checks**

Determine if there are checks that haven't cleared the bank. Sort your cancelled checks in check number order, or use the listing of your cleared checks in numerical order shown on your statement. In your checkbook register, check off each cancelled check returned to you or each check that appears on the check listing, making sure the amount you recorded is the amount the bank shows.

## **STEP 2 - Reconcile Your Deposits**

Make sure each deposit shown on your bank statement is recorded in your check register (especially if you have direct deposit, which you can easily forget to record). Also, go through your deposit slips, paycheck stubs, etc., and make sure the bank statement shows all the deposits you made. Check off the deposits in your check register as you did for checks.

## **STEP 3 - Reconcile Your ATM Withdrawals and Debit Card Purchases**

Go through the same process with your ATM withdrawals or debit card purchases, checking off each transaction on the bank statement in your check register. If the bank shows transactions that aren't included in your check register, record them now.

## **STEP 4 - Record Interest Earned and Bank Fees**

Check your bank statement for any other fees and record them in your checkbook register. Also record any interest earned in your checkbook register.

## **STEP 5 - List Outstanding Checks**

Now go through your checkbook register and in column two of the balancing form list your outstanding checks (the checks that you did not check off in your check register as having cleared the bank), as well as any outstanding debit purchases or ATM withdrawals that have not yet cleared the bank. Total the column of outstanding checks, debits, and ATM withdrawals.

## **STEP 6 - List Outstanding Deposits**

Go through your checkbook register and in column one of the balancing form list the outstanding deposits (the deposits that you did not check off in your check register as having cleared the bank). Total the column of outstanding deposits.

## **STEP 7 - Record Your Bank's Ending Balance**

On line one of the bottom section of the Checkbook Balancing Form, enter the ending balance shown on your bank statement.

## **STEP 8 - Enter Outstanding Deposits**

On line two of the bottom section of the Checkbook Balancing Form, enter the total outstanding deposits from column one.

## **STEP 9 - Enter Outstanding Checks**

On line three of the bottom section of the Checkbook Balancing Form, enter the total outstanding checks from column two.

## **STEP 10 - Calculate Your Balance**

Use a calculator to total lines one through three, as indicated by the plus and minus signs on the form, and enter the new total on line four. This should equal the balance shown in your checkbook register. If it doesn't, check for math errors in your checkbook register, such as reversed numbers (e.g., \$74 instead of \$47), subtracting a deposit instead of adding it, adding a check written instead of subtracting it, automatic payments that you forgot to record, etc.

# Balance Your Checkbook Form

<b>1. Outstanding Deposits</b>		<b>2. Outstanding Checks</b>	
(Not included in your statement)		(Not included in your statement)	
Date	Amount	Check Number	Amount
<b>Total Outstanding Deposits</b>		<b>Total Outstanding Checks</b>	
_____		_____	

- 1. Enter Ending Balance from your bank statement \$ \_\_\_\_\_
  
- 2. Add Total Outstanding Deposits + \_\_\_\_\_
  
- 3. Subtract Total Outstanding Checks - \_\_\_\_\_
  
- 4. Ending Balance (Should equal your checkbook balance after you record interest (Add) and fees( Subtract) in your checkbook register.) = \_\_\_\_\_