

Master Commissioner – Escrow Account QuickBooks Instructions

RECORD DEPOSITS

First financial activity for new case should be receipt of presale deposit or costs/proceeds of sale.

In QuickBooks, select **Banking → Make Deposit**.

Deposit to will be the Escrow bank account. Memo is optional.

Received From will remain blank (we do not utilize the customer feature in QB) and **From Account** will be your Case account in the following format (**Doe 07-0504**). In the **From Account** field, type the case #/defendant name. If this is not the first activity on the case, the case id will appear as you type. Select the appropriate case from the dropdown menu and hit Tab to advance to the next field. If it is the first activity on the case, you will need to create this account. Once you've typed in the Defendant Name Case #, hit Tab to advance and you will receive a message that the account is not in the account list. Select **Set Up** to create the account. Select "**Other Account Type**" then select "**Other Current Liability**" from the dropdown menu. Select **Continue**. The case # and defendant name should already appear in the Account box. If changes or corrections need to be made, make them now. Select **Save and Close** to go back to the deposit ticket. Continue to fill in the other fields on the deposit ticket with the appropriate information – memo, payment type, and check # are all optional fields. If you have received money for multiple cases, you may enter them on the same deposit ticket by following the above steps on additional lines. The deposit total on your QB deposit ticket should match the total on your actual bank deposit slip. Select **Save and Close** to save the deposit ticket. If you accidentally save before you're finished, you can retrieve the deposit ticket and complete it with additional information. If a deposit ticket is on the screen, click **Previous** until you see the ticket you want to adjust. If the deposit ticket is not on the screen, select **Deposit** from the top toolbar, then click **Previous** to find the appropriate ticket.

This records receipts to the individual case in QuickBooks. To record Interest received, enter it on a deposit ticket, using **Account** of Interest Earned.

RECORD DISBURSEMENTS

To record your disbursements, select **Banking → Write Checks**. If you are going to print your checks using QB, be sure that the box for **To Be Printed/Print Later** is checked. If you handwrite your checks, enter the appropriate check # on the check on your screen. Enter the payee and amount information as usual. You may enter the address or other information needed for the payee on the memo line on the check area. On the Expenses tab, in the **Account** field, type the Defendant/Case #. The account should already be set up from the deposit recorded earlier. If not, verify that funds were received and deposited before proceeding. You should not write a check if funds are not available on the case. Select the case from the drop down menu and tab to move to the next field. Enter the amount of the disbursement. Memo will be Appraisal, MC Fee, Advertising, Attorney Fee, Plaintiff/Defendant, Refund, Taxes, Sp. Com, etc. Be consistent with the memo, as this will generate a useful report. Use the memo field on the stub section not the memo field on the

check for this distinction. This allows this information to be included on reports generated from the check detail. Select **Save and New** to continue to enter checks, following the above procedure for each.

This records disbursement activity to the individual cases.

PRINT CHECKS

To print your checks once they've been created, go to **File → Print Forms → Print Checks**. The **Select Checks to Print** window should appear, showing all checks that you've created that need to be printed. Verify that the check # in the window is the same as your starting check # to be printed. Select any/all checks to print, then select **OK** to print. Make sure printer is selected, checks are in the printer, and print. Do not say OK on the print screen until all checks are printed and reviewed for accuracy. Verify that check # shown on screen matches check # on printed checks. If a check was damaged or misprinted (other than simply an incorrect check #), place a checkmark next to that check so that you may reprint it. If check #s are incorrect, but all other info on the checks is accurate, go ahead and Select OK on the screen. You will then manually change the check #s in the system to match the printed checks. To do this, open the Check Register, find the check with the incorrect # and change the # in the register. Save changes. Do this with each check that printed with the incorrect number.

To record check charges, enter through **Write Check** as above, using check # AUTO and **Account** of zzCheck Charges. (Be sure to reimburse the escrow account for these charges from the Fee Account. When deposit is made, again use **Account** zzCheck Charges.)

REVIEW CASE BALANCES

To review case balances in QB, select **Reports→ Company & Financial → Balance Sheet Standard** from the top toolbar. This report is defaults to "Today" as the reporting period. You may change the dates on the report to reflect any period you choose. The report will reflect your bank balance per the books, as well as each case balance.

To print case activity by a specific case, from the Balance Sheet, place your cursor over the amount on the case you want to review. Double Click when the magnifying glass icon appears. Change the report date to "All" instead of "Custom" to see all activity for the case. You can adjust the widths of the columns by dragging the diamonds between headers to reveal the information you are interested in. You may also add columns by selecting the Modify Report option and selecting additional columns from the dropdown menu. Once you have the information you're interested in, select Print to print for your file.

RECONCILE BANK STATEMENT

To reconcile the Escrow account within QB (recommended), select **Banking → Reconcile**. Verify that the statement date shown is accurate as reflected on your bank statement. Also verify the beginning balance has not been changed. Enter the ending balance from the bank statement and select **Continue**. If you have interest to record, please do so using **Make deposit** instead of the interest button on the Reconcile screen. Also, if you have check charges or other account charges, please enter them using **Write Check** instead of the button on the reconcile screen.

Once you've selected **Continue**, all outstanding checks, charges, and deposits should appear

on the reconciliation screen. Check off each item that has cleared per the bank statement. Total **Deposits and Other Credits** at the bottom left of the reconciliation screen should match your deposits, other credits, and interest from your statement. Total **Checks and Payments** at the bottom left of your reconciliation screen should match your checks and other debits from your bank statement. The bottom right of your screen should reflect a **Difference** of zero. DO NOT select **Reconcile Now** until this amount is zero. If it has a difference, compare the items checked in the reconcile window against the bank statement to determine what has been omitted or checked in error.

Once the **Difference** is zero, select **Reconcile Now**. Select **Detail** from the report options, then **Display**. Review the report on the screen, then print for your file. This report will show all items that have cleared on this statement, along with all remaining outstanding items as shown on your books. File this reconciliation report with your bank statement.

FIND TRANSACTIONS

To search for a case, amount, etc. use the **Find** feature. Select **Edit → Find** from the top toolbar, then select what you want to search for, and enter the information to seek.

VOID / REISSUE CHECKS

If a check needs to be voided at the time it is written (i.e. Error on check), with the check on the QB screen, select **Edit** from the top menu bar, then select **Void Check**. To void a check, you must have filled in the date, payee, amount, and selected an account to post to. Once you've selected the **Void Check** option, QB will zero the check and enter VOID in the memo. Save and New or Save or Close.

If a check needs to be voided at a later date (old check not cleared, lost in mail, etc.) void the check using the Journal Entry screen. **DO NOT** use the VOID CHECK option, as this will cause date-related problems. Select **Company → Make Journal Entry** from the top toolbar. The date will be the date you are voiding the check, NOT the date of the check. The first line of your entry will be Account = Escrow, Debit will be the amount of the check you want to void, Credit will be blank, Memo will be "Void Check ###", name and billable will be blank. Tab on to next line and it will be Account = Defendant/Case # (as shown on original check), Debit will be blank, Credit will be amount of check you're voiding, memo will be "Void Check ##," name and billable will be blank. Total debits and credits at bottom of screen should be equal. Select **Save and Close** to record the voided check. Next time you reconcile the account, check off the original check (shown in the check section) and the journal entry (shown in deposit section). They will offset each other and remove the check from the outstanding check listing. Remember that this will also affect the total deposits and checks reflected at the bottom left of the reconciliation screen.

Reissue the voided check with today's date, as you would any other check. Be sure to use the same case #/defendant for the account posted on the check.

CORRECT ACCOUNT NAME ERROR / DUPLICATION OF ACCOUNTS / ETC.

Should you see that you have an error in an account name (case # has wrong year, name incorrect, etc.) you can make changes from the Chart of Accounts listing. Go to **Lists**, then **Chart of Accounts** on the top menu bar. Find the account/case in the listing that you need to correct, highlight it, and right click. Select **Edit Account** and make corrections as necessary on the screen. **Save and close**. This will update the account title throughout QuickBooks.

Should you find that an account has been duplicated (perhaps name spelled differently, case # has error, etc.) you can merge the two accounts. **If any of the transactions entered to the incorrect account have been reconciled, DO NOT merge the accounts. See below for how to cure should this happen.** This will post all activity already entered to the same case. **BE SURE** that the accounts are actually the same case and that there was simply a typographical/entry error before you do this. To merge accounts, follow steps above to access the chart of accounts. Find both account titles and write them down exactly as shown in the listing. Highlight the incorrect account, right click, and select **Edit Account**. Change the account name to exactly match the correct account. Select **Save and Close**. QB will state that account already exists and ask if you want to merge the two. Select **Yes**.

If activity to the incorrect account title has already been reconciled, **DO NOT** merge the account with the correct account using the steps above. In the account listing, find the incorrect account and double-click it to open the register. In the register, go to the Account field on the first transaction line and change the account to the CORRECT case account. Record the transaction, and it should disappear from the register. Continue to change the account on each transaction until all are reclassified to the correct account. Once there are no transactions under the incorrect account, close the register and return to the account listing. Highlight the incorrect account, click the Account button at the bottom of that window, and select **Delete Account**.