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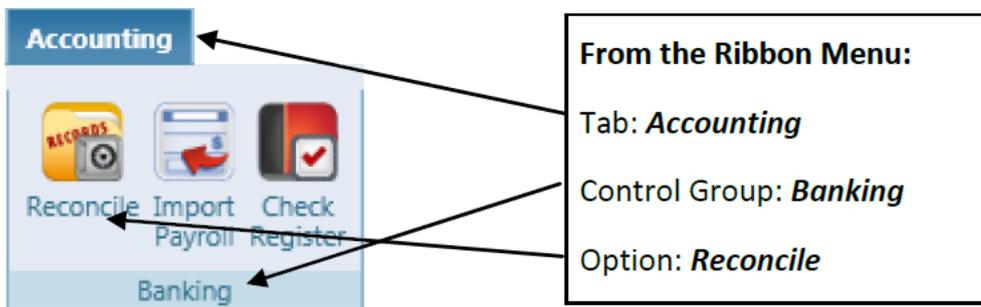
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## How Do You Reconcile Credit Cards General Ledger Accounts?

Tammy Mason - 2024-06-19 - in Accounting

### **How Do You Reconcile Credit Cards General Ledger Accounts?**



**Explanation:** ASI SmartBooks allows you to reconcile credit cards in the same manner as bank accounts with some minor differences. Reconciling should be done when the credit card statement is received. This is a separate procedure from recording the amount owed to the credit card company based on the statement balance.

#### **Initial Setup:**

1. Be sure a **Vendor** is entered for each Credit Card.

**Vendor - Masterca..** x

New Copy Save Delete Cancel Close

Code MC Name Mastercard Status **Active** + New Bill Employee Decorator

**Company**

Terms Net 30 asi/ 0 Busy Line Name Preferred

Address 1 99 Pacific Coast Highway Office +1 319-555-5555 Email (Select)

Address 2 Office Fax +1 Web (Select)

City Spokane Other +1 Country

State/Province WA Zip/Postal 84643 Country UNITED STATES

Addresses (1) Phones (3) Emails (0) Websites (0)

Contacts (0)

Other

User Defined Fields

**Note:** Refer to the Vendor section of the FAQ for more information on paying a Vendor with a credit card.

2. Be sure a **General Ledger** is created for each Credit Card Account.

**Account - 103** x

New Copy Save Delete Cancel Close

Number 103 Description Mastercard Status **Active**

System Type Current Liability

Custom Type Current Liability

Subaccount Of 0 (Select)

**NOTE:** Type of account is a customer preference and will not affect how credit cards are processed. It will, however, affect filters in certain lists.

**Reconcile process:**

1. Make sure the **beginning** and **ending** balances for the credit card statement are entered as **negative** amounts in the reconciliation screen. A negative amount is used to represent the amount **owed** on the credit card statement. (This is different than the balances entered for a bank account, which is not owed, but instead available for use.)

**Reconciliation** Bank Statement Date 2/6/2019 Print Options:  Print Reconciliation  Print Outstanding Transactions

Starting Balance (\$1,624.40) Ending Balance (\$1,475.30)

Import

2. **Charges** on the credit card statement that have been recorded in Bills-Pay will **appear under the Checks** expander. Each of these charges will have a check number assigned, although when reconciling credit cards these numbers are arbitrary and are not associated with any information on the credit card statement. Use the Date, Name, Pay to Name, and Amount information to determine the correct charges to mark as cleared.

Payments (4) <span>Clear a Range</span>									
Cleared	Check/Reference	Memo	Pay To Name	Amount	On	Date	Name	Payment Method	
<input checked="" type="checkbox"/>	mc100		Art Unlimited	\$40.00	2/6/2019	2/06/2019	Art Unlimited	Mastercard	
<input checked="" type="checkbox"/>	mc101		Koozie Emporium	\$125.67	2/6/2019	2/06/2019	Koozie Emporium	Mastercard	
<input type="checkbox"/>	mc102		Sanmar	\$350.00		2/06/2019	Sanmar	Mastercard	
<input type="checkbox"/>	mc103		University Golf and Supply	\$350.00		2/06/2019	University Golf and Supp	Mastercard	

3. The **Payments** credited to the credit card for this statement (those already appearing on the statement) **appear under the General Ledger Entries** expander.

Journal Entries (1) <span>Add Journal Entry</span> <span>0 Cleared</span>						
Cleared	On	Date	Offsetting General Ledger	Memo	Amount	Action
<input type="checkbox"/>		02/06/2019	103 - Mastercard	Dec 2018 pmt	\$750.00	

4. **Additional charges** showing on the statement (not associated with an order) can also be entered under the Ledger Entries expander.

Journal Entries (2) <span>Add Journal Entry</span> <span>1 Cleared</span>						
Cleared	On	Date	Offsetting General Ledger	Memo	Amount	Action
<input checked="" type="checkbox"/>	2/6/2019	2/6/2019	812 Business Promo (Entertai)		\$50.00	
<input type="checkbox"/>		02/06/2019	103 - Mastercard	Dec 2018 pmt	\$750.00	

5. Be sure your Difference is zero.

Cleared Difference		\$0.00
0	Cleared	0.00
4	Cleared	\$650.90
2	Cleared	\$800.00

**TIP:** Once the credit card statement has been reconciled, determine how much of the balance is going to be paid through the bank account and enter this as a **Bill-New** transaction and **Bill-Apply** the amount to the

ledger account associated with this credit card.