

QuickBooks

Steps to Record an NSF (Non-sufficient Funds) Check

These instructions are for QuickBooks (QB) users that use Sales Receipts or Invoices and Payments for their Customers. Of course, NSF checks are also called bounced, returned, or bad checks.

One-time set up (skip this if already done and go to 'Entering an NSF check')

Go to Lists, Item Lists and create the following two items:

Item Type	Item Name	Description	Amount	Account
Other Charge	NSF Check	NSF Check	leave blank	your main checking account
Other Charge	NSF Fee	NSF Check Fee	fill in your preferred amount	Two options: a) if only charging exactly what the bank charges, this can be your bank service charge expense account b) if charging more than what your bank charges, assign an income account

Entering an NSF check

Note: do not edit or delete any Invoice and Payment or Sales Receipt already entered for the Customer. Those stand as is.

- Create a new Invoice or Sales Receipt for the Customer, using the NSF Check and NSF Fee items for the corresponding amounts.
 - The NSF Check item will subtract the NSF check from your QB checking account. Go look to see.
 - The NSF Fee on the invoice does NOT enter your bank's NSF charge in your QB checking account like the NSF Check item does. Enter the fee in your QB checking account separately.
- Send the Invoice or enter a Payment and Deposit as needed.

