

Elementary Schools  
**Schoolbooks**  
NSF Checks and Fees

Use this procedure to record NSF Checks returned by the bank and the associated fees.

NSF checks and fees are originated by the bank and typically come to your attention when you receive the bank statement after month end. Because they affect your Checking Account balance, they must be recorded as of the date they occurred.

**When to Record**

Some banks issue a separate notice for each NSF check; the notice may include the original check which bounced. The timing of when this notice is mailed can vary widely – from the date the check is determined to be NSF to several days later. Mailing time can also be an issue, as some are mailed locally and others are mailed from the bank’s central facility located in another time zone.

It is best to accumulate these notices and match them to the NSF items which appear on the bank statement. Record in SchoolBooks the items which appear on the bank statement; wait until the next month to record any other NSF Checks for which you have notices. There may be NSF Check charges on the bank statement for which you have not yet received a notice from the bank; contact the bank to get a copy of the notice and the bounced check if it has not come in the mail in a reasonable period of time.

It is recommended that all NSF Checks and Fees be recorded in one “batch” so that the Adjustment Journal which is printed at the end of the process will include only NSF Checks and Fees.

**Recording in SchoolBooks**

1. Click the “Adjustment Entry” button or make this selection from the “Entry” drop-down menu. The “Adjustment Entry Wizard” window opens.
2. On the “Adjustment Type” screen, select “Enter New Adjustment” and press “Next”.
3. On the next window, select the correct Bank Code – it should default to your checking account name and GL account number.
4. Use the drop-down arrow to select the Adjustment Type. Select “Returned Check” and click on “Next”.
5. The next window will be specific to the Returned Check Adjustment Type. Complete the fields on the screen.
  - The Date should be the transaction date as shown on the bank statement. Enter the amount without any signs, as the Adjustment Type dictates whether the adjustment increases or decreases the checking account balance.

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- The GL Account Number field shows the default GL account number for this Adjustment Type; the GL account name will be displayed. If this is not the correct GL account number to be charged, click on the magnifying glass to access the GL account Lookup, and select the correct account. For Returned Checks, the GL Account Number should be the activity account into which the money was originally deposited (effectively reversing the original receipt), and the Returned Check Fees should be charged to the Principal's Discretionary Fund, GL Account Number 40-10-3300.

When all fields are completed, select "Next".

6. The next window will display all the details of the adjustment. The only editable field is the "Purpose" field. Edit as necessary. Click on "Accept" to accept the Adjustment Entry. You will be returned to a new "Adjustment Entry Wizard" window (see step 2 above).
7. Repeat steps 2-6 for the Returned Check Fee associated with the NSF Check just entered.
8. Repeat steps 2-7 for all NSF Check and Fees that are to be recorded at this time.
9. Once all NSF Checks and Fees adjustments have been entered, you should be at the main "Adjustment Entry Wizard" window. Click "Cancel".
10. You will be asked, "Do you want to print the Adjustment Journal?" Click "Yes".
11. At the next window click "Print" and wait for the journal to print. It will print (and assign permanent Adjustment Numbers) in transaction date order.
12. The next window asks "Did the Adjustment Journal print OK, and is the data correct?" If the journal looks okay (printed cleanly, data is correct), click "Yes".
13. The next window asks "Do you want to UPDATE the Adjustment Journal?" Click "Yes".
14. A small window appears indicating "Update Complete".
15. Make a notation on the Adjustment Journal that it has been posted/updated, and file it in your monthly transactions/reports file.

*Hint: The adjustment entries will not post until you: 1) print an Adjustment Journal and 2) answer "Yes" to update the journal.*

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16. Contact the person who gave you the NSF check, and request payment of the NSF Check amount and the fee charged by the bank. It is up to the school as to whether payment is to be made by a new check, money order, cashier's check, or cash.
17. When the replacement money is received, record it as though it was a new transaction.

**PROCESS COMPLETE**