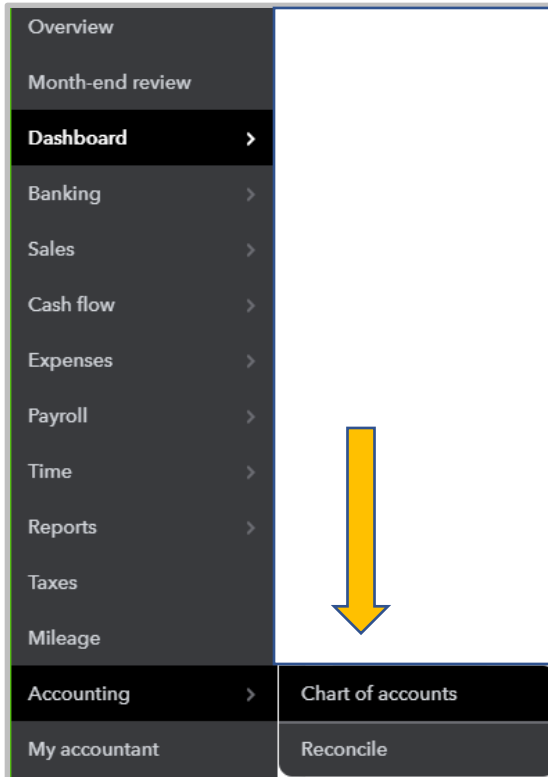


## Accepting Credit Cards

When we accept credit cards for payment, we need to record the income, so we use an asset account. When the Credit Card company pays us, the money will be in the bank, and we need a way to show the deposit in QuickBooks without it being reflected as new Income.

**Preparation** First, we'll need to create a new Account and Item. From the dashboard Select "Accounting" and then "Chart of accounts."



"Chart of accounts."

We'll create a new Cash Account 1040.00 – Credit Card Clearing Acct, under 1000.00 – Cash

And 5440.00 – Credit Card Fees, under 5400.00 - General Administration Exp.



Select "NEW" to create a new account.

This brings up the window on the left for you to make changes to. See on next page.

Changes

## Accepting Credit Cards

The screenshot shows the 'Account' setup form in QuickBooks Online. The 'Account Type' is set to 'Bank' and the 'Detail Type' is 'Checking'. The 'Name' is 'Credit Card Clearing', the 'Number' is '1040.00', and the 'Description' is 'Credit Card Clearing'. The 'Is sub-account' checkbox is checked, and the 'When do you want to start tracking your finances from this account in QuickBooks?' dropdown is set to 'Choose one'. A green 'Save and Close' button is visible at the bottom right.

For 1040.00 Credit Card Clearing

Account Type – Bank

Detail Type – Checking

Name – Credit Card Clearing

Number – 1040.00

Description – Credit Card Clearing

Place a check mark in the box to the right of the words “Is sub-account.” This allows for a drop-down menu of accounts.

Is sub-account – 1000.00 Cash

### Save and Close

For 5440.00 Credit Card Fees

Account Type – Expenses

Detail Type – Bank Charges

Name – Credit Card Fees

Number – 5440.00

Description – Credit Card Clearing

Is sub-account – 5400.00 General Administrative Exp

The screenshot shows the 'Account' setup form in QuickBooks Online. The 'Account Type' is set to 'Expenses' and the 'Detail Type' is 'Bank Charges'. The 'Name' is 'Credit Card Fees', the 'Number' is '5440.00', and the 'Description' is 'Credit Card Fees'. The 'Is sub-account' checkbox is checked, and the 'When do you want to start tracking your finances from this account in QuickBooks?' dropdown is set to '5400.00 General Admr'. A yellow arrow points from the text below to the 'Is sub-account' checkbox.

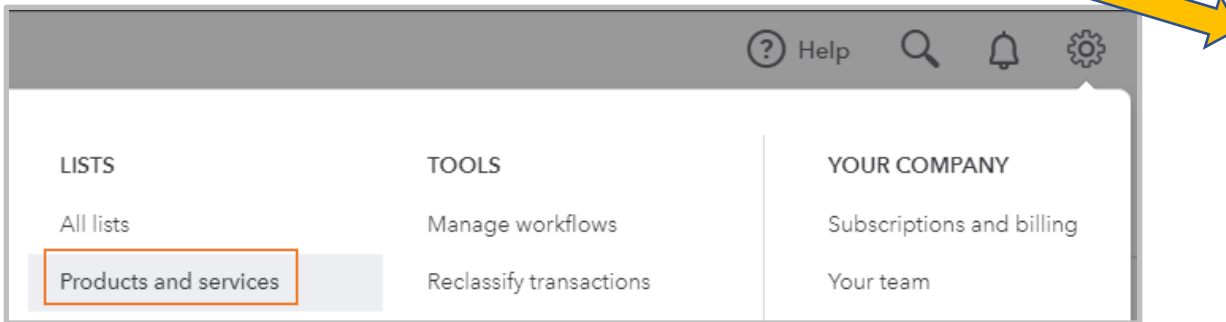
## Accepting Credit Cards

**Now we need to create the new Items.**

1040 CC Clearing – associated with 1040.00 – Credit Card Clearing Acct

5440 Credit Card Fees – associated with 5440.00 – Credit Card Fees

Access the Gear Menu option for Product and Services



This will bring up the Product/Service Information Menu

Select “Service”



## Accepting Credit Cards

The screen has many blank options. We are only concerned with:

- Name\*
- Description
- Income Account

NOTE: All Product/Service items are non-taxable.

Product/Service information

Service Change type

Name\*

SKU

Category

Description

Sales price/rate

Income account

Purchasing information

Product/Service information

Service Change type

Name\*

SKU

Category

Description

Sales price/rate

Income account

Purchasing information

All fields do not need to be filled in.

- Name\* = 1040 – Credit Card Clearing
- Description “Box” should be already check
- Description field = Credit Card Clearing
- Income Account = drop-down window to 1040.00 Credit Card Clearing

## Accepting Credit Cards

### Processing Credit Card Purchases at the Lodge

We need our Deposits and Receipts to match. When a member pays with a credit card, we do not have the full amount in cash to deposit into 1005.00 Checking, Main Checking Account. We need to take the credit card purchase out of the deposit, and thus reduce the receipt by the amount that has been put on the card.

### Entering Receipts – (see “Enter Sales Receipt/Make a Deposit” procedure on the CNMA website.)

We also need to keep the income reflecting what the register tapes show as being sold. When we enter our sales we count our total Cash, Checks and Credit Card Receipts. Then we calculate the amount of Sales Tax to be held in Liability for the State payment. If our register reads \$300 in sales, the sales tax (at 7.75%) is \$21.58.

Then we enter the receipt, using the items for Beer, Liquor, food, wine, misc. and Sales Tax. Then we also add the item 1040 – Credit Card AR, using a negative number for this item reflecting the amount that has been charged. We do NOT have this amount to deposit, so it will reduce our total receipt, and thus our Deposit, by the amount on credit.

Use the + NEW - Bank Deposit to record this Sales Receipt as a deposit.

#	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT	
1	4230 - Beer Sales	Beer sales	1	92.01	92.01	
2	4235 - Liquor Sales	Liquor sales	1	92.01	92.01	
3	4245 - Misc. Merch. Sales	Miscellaneous Merchandise Sales	1	18.38	18.38	
4	4225 - Food Sales	Food Sales	1	74.28	74.28	
5	2325 - Sales Tax Liability	Sales Tax Liability	1	21.58	21.58	
6	1040 - Credit Card Clearing	Credit Card Clearing (Enter as a negative)	1	00	-90.00	
					<b>Total</b>	<b>\$250.00</b>

## Accepting Credit Cards

**Entering Deposits** – (see “Enter Sales Receipt/Make a Deposit” procedure on the CNMA website.)

For those Lodges that do not use Sales Receipts this is what your deposit would look like.

**Bank Deposit**
Help

Account: 1005.00 Cash:General Checking - Balance \$1,608.75

Date: 09/20/2021

AMOUNT

# \$250.00

Tags Manage tags

Start typing to add a tag

▼ Add funds to this deposit

#	RECEIVED FROM	ACCOUNT	DESCRIPTION	PAYMENT METHOD	REF NO.	AMOUNT
1	Weekly Deposit	4230.00 Social Quarters Sales:Beer Sales				92.81
2	Weekly Deposit	4235.00 Social Quarters Sales:Liquor Sales				92.81
3	Weekly Deposit	4245.00 Social Quarters Sales/Miscellaneous Merchandise Sales				18.56
4	Weekly Deposit	4255.00 Kitchen Sales:Food Sales				74.24
5	Weekly Deposit	2305.00 Other Liabilities:Sales Tax Liabilities				21.58
+	NEW MEMBER	2510.00 Due Other Fraternal Units:Application Fees to MI		Enter Text		
7	NEW MEMBER	2515.00 Due Other Fraternal Units:ABC/D/Per Capita Due MI				
8	NEW MEMBER	4005.00 Dues And Fees Income:Membership Dues				
9	Weekly Deposit	1040.00 Cash:Credit Card Clearing				-50.00
10						

Add lines
Clear all lines

Other funds total **\$250.00**

## Accepting Credit Cards

It will also leave our Total Income at the full amount of \$278.42 (\$300 minus the sales tax of \$21.58.)

The P&L reflects the entire amount of income.

<b>Profit and Loss</b>	
September 20, 2021	
	TOTAL
▼ Income	
▼ 4225.00 Social Quarters Sales	
4230.00 Beer Sales	92.81
4235.00 Liquor Sales	92.81
4245.00 Miscellaneous Merchandise Sales	18.56
<b>Total 4225.00 Social Quarters Sales</b>	<b>204.18</b>
▼ 4250.00 Kitchen Sales	
4255.00 Food Sales	74.24
<b>Total 4250.00 Kitchen Sales</b>	<b>74.24</b>
<b>Total Income</b>	<b>\$278.42</b>

<b>Balance Sheet</b>	
As of September 20, 2021	
	TOTAL
▼ ASSETS	
▼ Current Assets	
▼ Bank Accounts	
▼ 1000.00 Cash	
1005.00 General Checking - 1128	1,608.75
1040.00 Credit Card Clearing	50.00
<b>Total 1000.00 Cash</b>	<b>1,658.75</b>
<b>Total Bank Accounts</b>	<b>\$1,658.75</b>
▼ Other Current Assets	
1199.00 Undeposited Funds	250.00
<b>Total Other Current Assets</b>	<b>\$250.00</b>

Our Balance Sheet 1199.00 account will reflect that only the amount of cash and checks collected will be taken to the bank and deposited. This deposit needs to be posted when you take the cash and checks to the bank.

On our Balance Sheet, this receipt will show that we have increased our total Cash by \$50.00. We do not really have the \$50. It is owed to us.

## Accepting Credit Cards

### Processing Payments Deposited into the Lodge Bank Account

When the credit card company pays us, the money goes directly into our bank account, so we need to “Receive” the payment. There will be nothing to take to the bank, so **do not** combine this deposit with any others that you do have to take to the bank.

Make sure the date reflects that of the direct deposit into your account so that your monthly bank statement and your reconciliation will agree. Each deposit should be done separately to reflect the actual date the monies were deposited by your credit card company.

It is **NOT** recommended to add all the credit card deposits together and make one lump sum deposit.

Make sure to make this **Recurring** because you will get a lot of these.

The screenshot shows the 'Sales Receipt' form in QuickBooks Online. The form is titled 'Recurring Sales Receipt' and includes fields for 'Template name' (set to 'Credit Card Company'), 'Type' (set to 'Unscheduled'), 'Customer' (set to 'Credit Card Deposits'), and 'Deposit to' (set to '1199.00 Undeposited Funds'). A table below the form lists the items being sold:

#	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT
1	1040 - Credit Card Cleaning	Credit Card Cleaning	1	50	50.00
2					

The total amount is \$50.00. A yellow arrow points from the text on the left to the 'Recurring Sales Receipt' section of the form.

(see “Enter Sales Receipt/Make a Deposit” procedure on the CNMA website.)



## Accepting Credit Cards

Notice in the Balance Sheet that 1040.00 Credit Card Clearing is balanced, \$50 in from the Sales Receipt and \$50 out by the deposit, therefore not reflect on the Balance Sheet because it has a Zero Balance. Our 1199.00 Undeposited Funds account shows a Sales Receipt for \$250.00 which has been deposited into the 1005.00 Checking account.

<b>Balance Sheet</b>	
As of August 31, 2021	
	<b>TOTAL</b>
▼ ASSETS	
▼ Current Assets	
▼ Bank Accounts	
▼ 1000.00 Cash	
1005.00 General Checking - 1128	15.00
<b>Total 1000.00 Cash</b>	<b>15.00</b>
<b>Total Bank Accounts</b>	<b>\$15.00</b>
▼ Other Current Assets	
1199.00 Undeposited Funds	0.00
<b>Total Other Current Assets</b>	<b>\$0.00</b>
<b>Total Current Assets</b>	<b>\$15.00</b>
<b>TOTAL ASSETS</b>	<b>\$15.00</b>