



Dealership Checkbook Manual



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ASSET ACCOUNT

1010 CASH IN BANK

ACCOUNT DESCRIPTION

Cash on deposit with the bank in the dealership's regular checking account.

TYPICAL TRANSACTIONS

	Account	Debit	Credit
Collection of finance contract			
Cash in Bank - General	1010	X	
Contracts in Transit	1020		X
Collection of parts, service, body shop accounts receivable			
Cash in Bank - General	1010	X	
Accounts Receivable – Parts, Service and Body Shop	1150		X
Cash portion of daily sales			
Cash in Bank - General	1010	X	
Cash Clearing	1050		X
Bank Expenses			
Miscellaneous Expense	8410	X	
Cash in Bank - General	1010		X
Check Issued to pay vendor on account			
Accounts Payable – Trade Creditors	2000	X	
Cash in Bank - General	1010		X

ACCOUNT COMMENTS

- All cash received should be deposited into this account on a daily basis.
- It is recommended that all checks require two authorized signatures
- All copies of a voided check should be retained together and the signature area should be removed.
- Bank reconciliation should be prepared immediately upon receipt. If possible a different person should reconcile this account two or three times a year.

- Use of a payroll bank account simplifies the bank reconciliation procedure by separating payroll checks from the regular checking account and allows more than one employee to reconcile the regular checking account.
- A deposit equal to the amount of the payroll should be made into the account. This can be done as each payroll is done or a transfer at the beginning of each month to cover the monthly payroll.
- Bank reconciliation should be prepared immediately upon receipt of the bank statement.

