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Recording Debit Card Transactions

Many businesses today, particularly owner operated, use debit cards to pay for a variety of day to day purchases. If you enter the name of the supplier every time you use your debit card at a different business, you can end up with a list of one time suppliers that you may never use again. QuickBooks does not let you delete these suppliers unless the transaction is deleted, not a viable option. Alternatively, you can make the supplier inactive, but they still exist in your accounting records.

Procedures:

A) Set Up Vendor(s) for Debit Card Transactions

1. In the "Vendor Centre" window, select "New Vendor".
2. In the "Vendor Name" I enter "DEB – Debit Card" Use what you are most comfortable with. In QuickBooks you can always change the vendor name without affecting your accounting records.
    - If your business has more than one debit card in use, I would suggest setting up separate vendors for each card using the following format:
        i. DEB1 – [Name of Person Who Uses]
        ii. DEB2 – [Name of Person Who Uses]

      This will allow you to track the individual card usage.

   The use of the short form "DEB" in the vendor file normally allows me to enter these 3 letters to pull up the correct vendor. If you have other vendors that start with the same 3 letters, you may have to enter more character.

B) Recording a Debit Card Transaction.

The debit card transaction is entered by using "Write Cheques".

1. Make sure the "To Be Printed" box just under the cheque is not ticked off, as you will not be printing an actual cheque.
2. For the "Number" I enter "Debit", which indicates that the transaction was done by debit card. You can enter what you prefer, including "Debit Card". I prefer to keep it short to save typing. Debit transactions have a transaction number, but I find recording this unnecessary for my purposes.
3. In the "Pay To" field, I type in DEB and press tab to move to the amount field. The full description is automatically completed.

4. In the “Memo” field right below the “Address” I enter the transaction information, such as Mr. Office Supply – office supplies, or Petro Canada – gas for truck. I do not use the “Memo” column where the amounts are entered for the accounts being charged. By using the single “Memo” field line, when you do reports for an account, the “Memo” information you entered will show, whereas in some cases where there are multiple line items and you enter information in the “Memo” column, the reports will only show “multiple” in the “Memo” field. I seldom find it necessary to enter a more detailed description for the transaction.
5. Complete recording the transaction by entering the accounts and amounts as you normally would for a cheque. When you are done, select “Save and Close” to record the transaction.

Here is an example of a debit card transaction using this procedure with specific fields highlighted.