

Item #2 Bank service charges. Since the bank deducted \$35 from the company's checking account, but the company has not yet deducted this from its Cash account, the following journal entry needs to be made.

Date	Account Name	Debit	Credit
August 31, 2014	Bank Service Charge Expense	35	
	Cash		35

(If the annual amount of service charges is small, debit [Miscellaneous Expense](#).)

Item #3 NSF checks and fees. Since the bank deducted these legitimate amounts from the company's bank account, the company will need to deduct these amounts from its Cash account. As mentioned, the NSF check of \$100 was from a customer. Therefore, the company will likely undo the reduction to Accounts Receivable that took place when the company originally processed the \$100 check. If the company wishes to recover the bank fee of \$10 from the customer, it should add the \$10 fee to the amount that the customer owes the company. The journal entry might look like this:

Date	Account Name	Debit	Credit
August 28, 2014	Accounts Receivable	110	
	Cash		110

(If the amount cannot be recovered from the customer, charge an expense.)

Item #4 Check printing charges. Because this expense is not yet entered on the company's books, but the amount has been deducted from its bank account, the company will make the following journal entry.

Date	Account Name	Debit	Credit
August 20, 2014	Supplies	80	
	Cash		80

Item #5 Interest earned. The bank increased the checking account balance by \$8 on August 31. Since the bank did not notify the company previously, the company must now increase the balance in its Cash account.