

General Journal

A Journal entry is a transaction record in which the amount in the Debit column equals the amount in the Credit column, and each amount is assigned to an account on the chart of accounts. Double-entry bookkeeping systems use this method. A transaction that is separated into debit and credit amounts is called a General Journal transaction. Debit and credit amounts must equal to maintain balanced bookkeeping records.

Use the general journal to...

- transfer amounts from one income or expense account to another income or expense account, or from one class to another class.
- Assign a class code related to an original transaction in a prior closed year that did not include a class code or an incorrect class was assigned.
- Adjust payroll expense or liability accounts.
- Create end-of-year adjustments.

In a double-entry bookkeeping system, for every transaction created by the bookkeeper, there are two transactions: the debit type transaction and the credit type transaction. The bookkeeper usually sees only one type: either the debit or credit. Consider the following examples.

A **check** transaction created to pay a vendor for office supplies, results in the following debit and credit types.

| | Debit | Credit | Effect |
|------------------------------|-------|--------|-----------------------------|
| 5100-Office Supplies Expense | 50.00 | | Supply expense is increased |
| Cash (checking register) | | 50.00 | Cash is decreased |

A **deposit** transaction created to post receipt of money from a customer, results in the following debit and credit types.

| | Debit | Credit | Effect |
|--------------------------|--------|--------|-----------------------|
| Cash (checking register) | 150.00 | | Cash is increased |
| 0920-Soil Testing income | | 150.00 | Soil income increased |

Accounts

| | Debit | Credit | Effect |
|--|----------|----------|-----------------------------------|
| Cash (bank or any asset acct) | increase | decrease | Credit is reduction of cash |
| Income account | decrease | increase | Debit is reduction of Income |
| Expense account | increase | decrease | Credit is reduction of expense |
| Liability account (payroll, accts Payable) | decrease | increase | Debit is reduction of liability |
| Receivable account | increase | decrease | Credit is reduction of receivable |

More Examples

Example: Accounts Receivable

| | Debit | Credit | Effect |
|----------------------------------|-------|--------|--|
| 1900-Accts Receivable (Asset) | 25.00 | | Receivable is increased. Amount earned but not yet received. |
| 0110-Non Credit Fee Income | | 25.00 | Non Credit Fee income increased. |
| | Debit | Credit | Effect |
| 1499-Undeposited Funds (Asset) | 25.00 | | QB posts the amount to a Holding account. |
| 1900-Accounts Receivable (Asset) | | 25.00 | Receivable is decreased. Customer money received but not yet deposited. |
| | Debit | Credit | Effect |
| Cash (bank account) (Asset) | 25.00 | | Cash is increased. |
| 1499-Undeposited Funds (Asset) | | 25.00 | Undeposited Account is decreased. Customer money posted to Deposit screen. |

Example: Payroll Liability

| | Debit | Credit | Effect |
|--------------------------------|--------|--------|---------------------------------|
| 2870-State Unemp Tax Expense | 110.00 | | Expense is increased |
| 9095-State Unemp Tax liability | | 110.00 | Liability is increased |
| | Debit | Credit | Effect |
| 9095-State Unemp Tax Liability | 110.00 | | Liability is decreased |
| Cash (bank account) | | 110.00 | Cash is decreased. Vendor paid. |

Create a general journal entry

- Select **Company** from menu bar at top of screen.
- Select **Make General Journal Entries**.
- In the **Make General Journal Entries** window, enter the appropriate date.
- Fill in the **entry number**.
- In the detail select the appropriate **accounts** that will be affected.
- Enter a **class code when appropriate**.
- **Print** and **Save** the journal entry.

Sample Journal Entry: Transfer money from two classes to another class.

| ACCOUNT | DEBIT | CREDIT | MEMO | NA... | BIL... | CLASS |
|--------------------------|--------|--------|---|-------|--------|--|
| 1600 · Balance Transfers | 250.00 | | transfer from class 2100 Postage fund to Class 3345 ABC Workshop | | | 2000-Center Operations:2100-Postage Fund |
| 1600 · Balance Transfers | 50.00 | | transfer from class 3300 Short Courses to Class 3345 ABC Workshop | | | 3000-Education and Services:3300-Short Courses |
| 1600 · Balance Transfers | | 300.00 | transfer from class 2100 Postage fund to Class 3345 ABC Workshop | | | 3000-Education and Services:3300-Short Courses:3345-ABC Workshop |

Sample Journal Entry: Transfer supply expense from one class to another class.

Result: decrease supply expense in class 1000; increase supply expense in class 3315.

| ACCOUNT | DEBIT | CREDIT | MEMO | N... | B... | CLASS |
|--------------------------|-------|--------|---|------|------|---|
| 5100 · AllTypeOfSupplies | 60.00 | | Transfer supply expense from class 1000 to class 3315 | | | 3000-Education and Services:3300-Short Courses:3315.. |
| 5100 · AllTypeOfSupplies | | 60.00 | Transfer supply expense from class 1000 to class 3315 | | | 1000-County Appropriations |

Note: The Checking register also can be used to create transfers.

Create a Journal Report

Journal report for **all** transaction types

1. Select **Reports** from menu bar at top of screen.
2. Select **Accountant and Taxes**
3. Select **Journal**
4. Select appropriate **date range**.
5. **Memorize** and **Save** in memorized report list.

Journal report for only Journal transaction types

1. Select **Reports** from menu bar at top of screen.
2. Select **Accountant and Taxes**
3. Select **Journal**
4. Select appropriate **date range**.
5. Select **Customize Report** button.
6. Select **Filters** tab.
7. Under Choose filter on left side of screen, scroll down and select **Transaction Type**.
8. Under Transaction type (middle of screen), select down arrow, select **Journal**.
9. Select **OK**.
10. Arrange columns on report as you desire.
11. **Memorize** and **Save** in memorized report list.

Or, open the above mentioned Journal report for all transactions.
← Begin at Step 5 here.

Or, Select **Memorize** and **New**. Create a different Report Name.

Sample Journal Reports

| 10:48 AM | | All-American County Extension Council | | | | | | |
|----------------|-----------------|---|------------|--|----------------------|---------------|---------------|--|
| 11/05/13 | | Journal Report - journal transactions only | | | | | | |
| | | October through December 2013 | | | | | | |
| <u>Trans #</u> | <u>Type</u> | <u>Date</u> | <u>Num</u> | <u>Memo</u> | <u>Account</u> | <u>Debit</u> | <u>Credit</u> | |
| ▶ 1274 | General Journal | 10/25/2013 | 7 | Reverses the original CREDIT liab.adj that had no class code | 2825 - Medicare | 1.15 | | |
| | | | | Assign class code to employer medicare exp.(Reduce exp) | 2825 - Medicare | | 1.15 | |
| | | | | | | 1.15 | 1.15 | |
| 1277 | General Journal | 10/31/2013 | 8 | transfer from class 2100 Postage fund to Class 3345 ABC W... | 1600 - Balance Tr... | 250.00 | | |
| | | | | transfer from class 2100 Postage fund to Class 3345 ABC W... | 1600 - Balance Tr... | 50.00 | | |
| | | | | transfer from class 2100 Postage fund to Class 3345 ABC W... | 1600 - Balance Tr... | | 300.00 | |
| | | | | | | 300.00 | 300.00 | |
| 1278 | General Journal | 10/31/2013 | 9 | Transfer supply expense from class 1000 to class 3315 | 5100 - AllTypeOfS... | 60.00 | | |
| | | | | Transfer supply expense from class 1000 to class 3315 | 5100 - AllTypeOfS... | | 60.00 | |
| | | | | | | 60.00 | 60.00 | |
| TOTAL | | | | | | 361.15 | 361.15 | |

**All-American County Extension Council
Journal Report - All Transaction types
September through October 2013**

| Trans # | Type | Date | Num | Memo | Account | Debit | Credit |
|-----------------------|------------------|------------|----------|--|--------------------------|-----------------|-----------------|
| 1272 | Paycheck | 09/25/2013 | | | 0050 - Checking | | 1,306.94 |
| | | | | | 2730 - Office Salaries | 1,485.51 | |
| | | | | | 2730 - Office Salaries | 36.23 | |
| | | | | | 2730 - Office Salaries | 144.93 | |
| | | | | | 9055 - MCHCP Medic... | | 10.00 |
| | | | | | 9010 - Federal Withh... | | 184.00 |
| | | | | | 2820 - Social Security | 102.71 | |
| | | | | | 9020 - Soc. Sec. Tax... | | 102.71 |
| | | | | | 9020 - Soc. Sec. Tax... | | 102.71 |
| | | | | | 2825 - Medicare | 24.02 | |
| | | | | | 9025 - Medicare Paya... | | 24.02 |
| | | | | | 9025 - Medicare Paya... | | 24.02 |
| | | | | | 9030 - State Withhold... | | 39.00 |
| | | | | | 2870 - Unemployem... | 49.70 | |
| 9095 - MO Unemploy... | | 49.70 | | | | | |
| | | 1,843.10 | 1,843.10 | | | | |
| 1273 | Liability Adjust | 10/25/2013 | | Decrease overstated employer medicare tax | 2825 - Medicare | | 1.15 |
| | | | | | 9025 - Medicare Paya... | 1.15 | |
| | | | | | | 1.15 | 1.15 |
| 1274 | General Journal | 10/25/2013 | 7 | Reverses the original CREDIT liab.adj that had no cla... Assign class code to employer medicare exp.(Reduc... | 2825 - Medicare | 1.15 | |
| | | | | | 2825 - Medicare | | 1.15 |
| | | | | | | 1.15 | 1.15 |
| 1275 | Liability Check | 09/30/2013 | To... | 123456-9-99-9999 | 0050 - Checking | | 100.00 |
| | | | | 123456-9-99-9999 | 9095 - MO Unemploy... | 113.92 | |
| | | | | 123456-9-99-9999 | 2871 - Unemploy.Tax... | | 13.92 |
| | | | | | 113.92 | | 113.92 |
| 1276 | Deposit | 09/30/2013 | | Deposit | 0050 - Checking | 15.00 | |
| | | | | State Tax Refund | 9095 - MO Unemploy... | | 15.00 |
| | | | | | 15.00 | | 15.00 |
| 1277 | General Journal | 10/31/2013 | 8 | transfer from class 2100 Postage fund to Class 334... | 1600 - Balance Trans... | 250.00 | |
| | | | | transfer from class 2100 Postage fund to Class 334... | 1600 - Balance Trans... | 50.00 | |
| | | | | transfer from class 2100 Postage fund to Class 334... | 1600 - Balance Trans... | | 300.00 |
| | | | | | 300.00 | | 300.00 |
| 1278 | General Journal | 10/31/2013 | 9 | Transfer supply expense from class 1000 to class 3315 | 5100 - AllTypeOfSupp... | 60.00 | |
| | | | | Transfer supply expense from class 1000 to class 3315 | 5100 - AllTypeOfSupp... | | 60.00 |
| | | | | | 60.00 | | 60.00 |
| TOTAL | | | | | | <u>2,334.32</u> | <u>2,334.32</u> |