

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
				Decrease overstated employer medicare tax	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...	2825 - Medicare	1.15	
				Assign class code to employer medicare exp.(Reduc...	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>