General Journal Entries

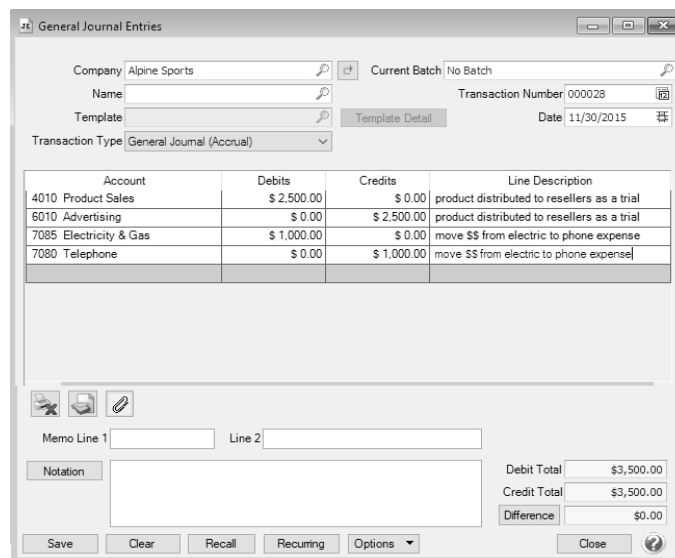| Document #:	3106	Product:	CenterPoint®

General Journal entries record activity between accounts using a debit/credit transaction entry screen. Adjusting entries at the end of the month or at the end of a year are common examples of General Journal Entry. The General Journal screen allows the entry of debits/credits to multiple accounts. Before the transaction can be saved, the total debits and credits must balance.

This topic identifies the methods of recording General Journal Entries:

» Enter a General Journal Entry
» Modify the Journal Entry Grid
» General Journal Entry Options

Enter a General Journal Entry

1. On the **Processes** menu, click **General Journal Entries**.

2. In the **Company/Fund** box, enter the company/fund name that this general journal is for.

3. If you have recurring general journal transactions for this company/fund, click the right-arrow icon and select the recurring transaction from the Set Recurring Transaction screen, and click **Save**. The transaction will display at which time it can be verified or changed using the steps below.

> Note: Recurring general journal entries can be created from a balanced general journal entry displayed on your screen by clicking **Recurring**, entering a **Description**, determining if amounts and quantities are saved, and then clicking **Save**.
>
> The transaction can be retrieved by clicking and selecting the transaction by the Description it was saved with.

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4. In the **Name** box, enter an optional name this general journal is for.

> Note: If a vendor name is entered in the **Name** box (at the top of the screen), and the vendor qualifies to receive a 1099, the General Journal entry will be included on the 1099. If you have multiple vendors that need the detail from the General Journal Entry included on their 1099, separate General Journal entries must be entered for each vendor.
>
> If a Name column is added to the data entry grid, and vendor names are included on each detail line in the grid, the detail will not be included on the 1099.

To review transactions in a Transaction Search screen for the selected name, entry screen, and current year, right-click in the **Name** box, and select **Review Transactions**.

5. In the **Transaction Type** box, select the default General Journal (Cash/Accrual), General Journal (Accrual), or Tax Adjustments. .

   » **General Journal (Cash/Accrual)** - Normally this transaction type is selected. These journal entries will affect the cash income statement. This transaction type might also be used to identify transactions that are intended to correct or reclassify previous entries. If, for instance, you had previously entered several transactions that increased the value of a fixed asset only to find that your accountant felt they should have been entered as an expense, you could assign this transaction a transaction type of General Journal (Cash/Accrual).

      » Since many reports in CenterPoint can be filtered by transaction type, this gives you the ability to include or exclude these cash/accrual transactions on various reports. Your tax reports are prepared using a user-defined report. You could choose to include General Journal (Cash/Accrual) transactions for some or all accounts and choose not to include other General Journal transactions. This would affect your Schedule F, your cash basis Income Statement, and your General Tax Summary reports. You can also use the filter tool in Transaction Search to find transactions by transaction type displaying only transactions that were assigned the transaction type of General Journal (Cash/Accrual).

   » **General Journal (Accrual)** - In certain industries where an entry is needed that does not affect a cash income statement, the General Journal (Accrual) type can be selected.

   » **Tax Adjustments** - Can be used to identify transactions that are intended to be tax adjustments. These transactions post like the General Journal (Cash/Accural) transaction type and since reports can be filtered by transaction type, this gives you the ability to include or exclude the adjustment transactions on various reports. An Adjustments column can be added to the Schedule F and Lacerte reports to display these journal entry transactions.

6. In the **Transaction Number** box, a sequence number will be assigned automatically.
7. In the **Date** box, enter the transaction date.

> Note: The transaction grid on a General Journal screen varies from the other transaction screens. On other transaction screens, each line in the grid can represent an entire journal entry. On the General Journal grid, each line represents a single account. There is no Detail screen. The detail for each account is entered on the grid. The Distribution column allows you to determine if a distribution should be implemented for the account you enter on the line of the grid. If you always want a distribution to be implemented if a distribution is setup for an account, you can set a preference to always have the Distribution column selected. To set this preference, select File > Preferences > Accounts > Distributions > , select the Distribution tab, and then change the Check Distribution check box by Default to Yes. If the check box is checked during the Save of the transaction the amount associated with the account on that line will be distributed according to the distribution assigned to that account.

8. In the **Account** box, select or enter the account that will be debited/credited.
9. Enter the value for the account in either the Debit or Credit column.

10. Repeat these steps 8-9 until all affected accounts are included and your total Debits and Credits are in balance.

> Note: If you want to attach a document to this transaction, see the [Attach Documents to Transactions](#) topic for detailed information.

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11. To save this transaction as a recurring transaction, click **Recurring**, enter a **Description**, determine if you want to Save amounts and quantities, and then click **Save**.To view the recurring transactions for a company/fund, click the ⬀ right-arrow icon next to the **Company/Fund** box.
12. In the **Memo Line 1** box, enter an optional memo for the transaction. In the **Line 2** box, if the transaction is assigned a name that was setup with a default memo, it will display automatically and can be overridden.
13. When the transaction is complete, click **Save**.
14. To print the journal entry, click the **Printer** icon, select the **Print** check box, select the **Printer** (if other than your Windows default printer), number of **Copies**, and select the **Report** that you want your journal entry to print on, for example General Journal, Sales Journal (Detail), etc, or one of your favorite reports. Note: After defining the above for this journal entry, if you want future journal entries to print as your default for this screen, right-click the **Printer** icon and select **Set as Default**.

Modify the Journal Entry Grid

Modify the Columns Displayed

The General Journal Entry grid can be customized for your specific data entry situation.

» One of the columns you may want to include on the grid is the **Line Description** that will allow you to make an entry about each line in the grid. To add the line description, right click on the grid, select Add/Remove Columns, then select the Line Description box and click OK. A column for Line Description can be added to the following General Ledger reports: General Ledger, General Ledger Account Activity, Cash Basis General Ledger, General Journal, General Journal Activity by Account, and Transactions Journal.

Account	Debits	Credits	Line Description
Product Sales	$ 2,500.00	$ 0.00	producted distributed to resellers as trial
Advertising	$ 0.00	$ 2,500.00	producted distributed to resellers as trial
Electricity & Gas	$ 1,000.00	$ 0.00	move $$ from electric to phone expense
Telephone	$ 0.00	$ 1,000.00	move $$ from electric to phone expense

» If you add the **Name** column and enter a vendor name for each detail line in the General Journal entry, the information will not be included on a 1099 for each vendor. The **Name** box in the header of the General Journal Entry (from step 4) is the box that the 1099 information is gathered from. If you have multiple vendors that need the detail from the General Journal Entry included on their 1099, separate General Journal entries must be entered for each vendor.

Apply Distributions

The **Distribution** column allows you to determine if a distribution should be implemented for the account you enter on the line of the grid. If you always want a distribution to be implemented if a distribution is setup for an account, you can set a preference to always have the Distribution column selected. To set this preference, select File > Preferences > Accounts > Distributions , select the Database tab, and then change the Check Distribution check box by Default to Yes. If the check box is checked during the Save of the transaction the amount associated with the account on that line will be distributed according to the distribution assigned to that account.

Add a Notation to a Journal Entry

Notations provide a way to record your own text information. Enter your own information about this general journal entry, or to recall a previously entered notation, click Notation, under Available

Notations, select the notation you want to recall., and then click OK. To create a new notation, follow the Create a Notation procedure.

General Journal Entry Options

Review Transactions

» To review the last ten transactions entered on a transaction screen, click **Options**, and then click **Review Transactions**. Transactions can be modified from this screen by selecting the transaction and then clicking **Edit**.

Custom Field/Comments

» To enter a 3200 character comment for the general journal entry, click the **Options** button and select **Custom Fields/Comments**.

Use Template

» If you need to select a template to use on a general journal entry, select **Options > Use Template** and a new Template field will be displayed at the top of the General Journal Entry screen.

Offset To Account

» If you would like all entries in a transaction to be offset to a particular account (instead of entering that account manually), select **Options > Offset to Account**.

Auto Reversing Entry

» If you are entering a transaction that should be reversed back out the next month (accrued payroll entries, for example), select **Options > Auto Reversing Entry** to specify the Reversing Date.

Transaction Type Assignment

» This option allows you to specify whether the journal entry should keep the transaction type selected at the top of the General Journal Entries screen, warn you if the transaction type is changed by CenterPoint, or allow CenterPoint to change the type if a more appropriate type can be found. For instance, CenterPoint would change a general journal transaction involving two bank accounts to a bank transfer or a transaction with one cash account and the rest of the accounts are not AP, AR, Credit Card, etc.to a cash receipt or cash payment depending on whether cash was debited or credited.