

Custom Homebuilders' Solutions (CHS) HELP Document

Journal Entries Defined

HELP For **JOURNAL ENTRIES**

ALL transaction records that are posted to your accounting database are batched together by Date and Document as *Journal Entry* batches. Every record in your accounting set of books could be referred to as part of a *Journal Entry* batch. The program marks each record with a *Journal* title that basically identifies where the record originated.

The basic Journals used by the program are listed below:

- **AJE** - Adjusting Journal Entries (described in this window)
- **AP** - Accounts Payable (Vendor bills entered on Accounts Payable windows.)
- **AR** - Accounts Receivable Records
- **DEPOSIT** - Deposit records (Entered on the Deposit window.)
- **OFFSET** - Offsetting entries created by the program when a Vendor Check is posted.
- **PR** - Payroll records

The *double entry* method of accounting that the program uses requires that all *journal entry* batches have at least one credit and one debit entry to keep the books in balance. Therefore, when a Vendor Bill, Vendor Check, Payroll Check, Accounts Receivable entry, etc. is posted, the program takes care of creating the necessary balancing entries that will keep the journals in balance. However, on the *Journal Entries* window, the user is responsible for posting entries to that keep the *AJE* journals in balance. If a journal batch is not in balance, meaning that its entries do not total to zero, the program WILL NOT allow the batch to be submitted.

To review how records in your accounting database are grouped into journal batches, use the button under the Accounting section to open your Accounting Database / General Ledgers. Use the REPORTS button after opening an accounting database to print Ledger Grouped By Date And Doc ID.

Add, Edit, Review Journal Entries

ADJUSTING JOURNAL ENTRIES are accounting entries that are not handled on another window in the program. These entries are stored in the *AJE* journal. There should always be at least two entries (or records) posted to keep the books in balance (at least 1 *debit* (or positive) entry and 1 *credit* (or negative) entry. The total of the *debit* and *credit* entries in an *Adjusting Journal Entry* should total to zero. This is based on the double entry method of accounting and can be discussed with your accountant.

To review, add, or edit Adjusting Journal Entries, use the Journal Entries button under the Accounting Activity section on the Home tab. The window that opens will display a list of Journal entries sorted in Descending Order by Date. Use this list to Edit or Review a previous journal entry. To add a new journal entry, use the button to ADD NEW JOURNAL ENTRY BATCH.