

Journalizing and Posting to the General Ledger

The Purpose of this slide show is to:

- Review the process of Journalizing a transaction in the General Journal.
- Introduce you to the process of posting transactions from the General Journal to the General Ledger.

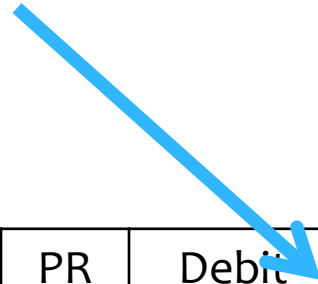
The General Ledger

- the General Ledger is all the accounts a business has
- an account is a classification that describes a particular type of transaction that a business has, for example:
 - Cash, Land, Accounts Payable, Capital, Sales, Rent Expenses
- the Chart of Accounts is a listing of the accounts in the General Ledger
- all the accounts are organized numerically by type of account:

Assets	100
Liabilities	200
Owner's Equity	300
Revenues	400
Expenses	500

The General Ledger

- a ledger account is very similar to a T Account



Account Name: OFFICE SUPPLIES

Acct# 120

Date	Explanation	PR	Debit	Credit	DR /CR	Balance
Jun 01	Bal. Fwd.		200		DR	200

The General Ledger

- a ledger account is where you will find a summary of the transactions of a certain type.



Account Name: OFFICE SUPPLIES

Acct#

120

Date	Explanation	PR	Debit	Credit	DR /CR	Balance
Jun 01	Bal. Fwd.		200		DR	200

Posting a Transaction to the General Ledger Accounts

Once we have journalized the transactions, the details need to be posted to the individual accounts that are affected by the transaction.

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Date	Explanation	PR	Debit	Credit
JUN 02	Office Supplies		100	
	A/P – Office Outfitters			100
	Sales Invoice # 2056			

Posting a Transaction to the General Ledger Accounts

First we locate the account in the General Ledger

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Date	Explanation	PR	Debit	Credit	
JUN 02	Office Supplies		100		
	A/P – Office Outfitters			100	
	Sales Invoice # 2056				

Account Name: OFFICE SUPPLIES

Acct# 120

Date	Explanation	PR	Debit	Credit	DR /CR	Balance
Jun 01	Bal. Fwd.		200		DR	200

Posting a Transaction to the General Ledger Accounts

Record the date in the Ledger Account

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Date	Explanation	PR	Debit	Credit	
JUN 02	Office Supplies		100		
	A/P – Office Outfitters			100	
	Sales Invoice # 2056				

Account Name: OFFICE SUPPLIES

Acct# 120

Date	Explanation	PR	Debit	Credit	DR /CR	Balance
Jun 01	Bal. Fwd.		200		DR	200
02						

Posting a Transaction to the General Ledger Accounts

Record the page number of the General Journal the transaction is recorded on.

Date	Explanation	PR	Debit	Credit
JUN 02	Office Supplies		100	
	A/P – Office Outfitters			100
	Sales Invoice # 2056			

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Account Name: OFFICE SUPPLIES

Acct# 120

Date	Explanation	PR	Debit	Credit	DR /CR	Balance
Jun 01	Bal. Fwd.		200		DR	200
02		GJ 125				

Posting a Transaction to the General Ledger Accounts

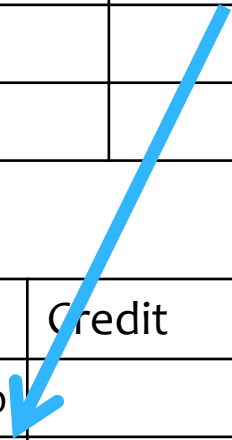
Record the amount of the debit or credit in the appropriate column.

			Page	125
Date	Explanation	PR	Debit	Credit
JUN 02	Office Supplies		100	
	A/P – Office Outfitters			100
	Sales Invoice # 2056			

Account Name: OFFICE SUPPLIES

Acct# 120

Date	Explanation	PR	Debit	Credit	DR /CR	Balance
Jun 01	Bal. Fwd.		200		DR	200
02		GJ 125	100			



Posting a Transaction to the General Ledger Accounts

Update the type of balance it is.

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Date	Explanation	PR	Debit	Credit
JUN 02	Office Supplies		100	
	A/P – Office Outfitters			100
	Sales Invoice # 2056			

Account Name: OFFICE SUPPLIES

Acct# 120

Date	Explanation	PR	Debit	Credit	DR /CR	Balance
Jun 01	Bal. Fwd.		200		DR	200
02		GJ 125	100		DR	

Posting a Transaction to the General Ledger Accounts

Update the new balance.

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Date	Explanation	PR	Debit	Credit
JUN 02	Office Supplies		100	
	A/P – Office Outfitters			100
	Sales Invoice # 2056			

Account Name: OFFICE SUPPLIES

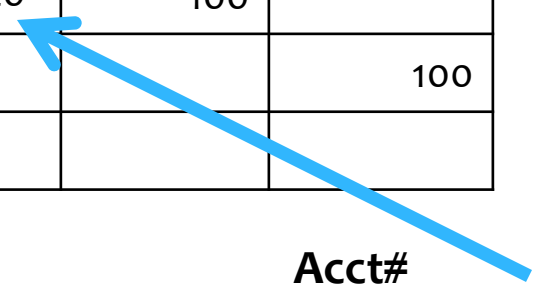
Acct# 120

Date	Explanation	PR	Debit	Credit	DR /CR	Balance
Jun 01	Bal. Fwd.		200		DR	200
02		GJ 125	100		DR	300

Posting a Transaction to the General Ledger Accounts

Finally record the account number in the Posting Reference column to indicate that the transaction has been posted..

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Date	Explanation	PR	Debit	Credit
JUN 02	Office Supplies	120	100	
	A/P – Office Outfitters			100
	Sales Invoice # 2056			



Account Name: OFFICE SUPPLIES

Acct# 120

Date	Explanation	PR	Debit	Credit	DR /CR	Balance
Jun 01	Bal. Fwd.		200		DR	200
02		GJ 125	100		DR	300

The Ledger

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Date	Explanation	PR	Debit	Credit
JUN 02	Office Supplies		100	
	A/P – Office Outfitters			100
	Sales Invoice # 2056			

Account Name: OFFICE SUPPLIES

Acct# 120

Date	Explanation	PR	Debit	Credit	DR /CR	Balance
Jun 01	Bal. Fwd.		200		DR	200