# Lesson Thirteen
## Using General Journal and Banking Tasks

The General Ledger is updated by each journal in Sage 50 as transactions are posted. The General Journal Entry task can be used to affect accounts in the General Ledger with direct debit and credit entries. General journal entries are posted to the General Journal, which in turn updates the General Ledger. The flow of General Ledger tasks is illustrated below:
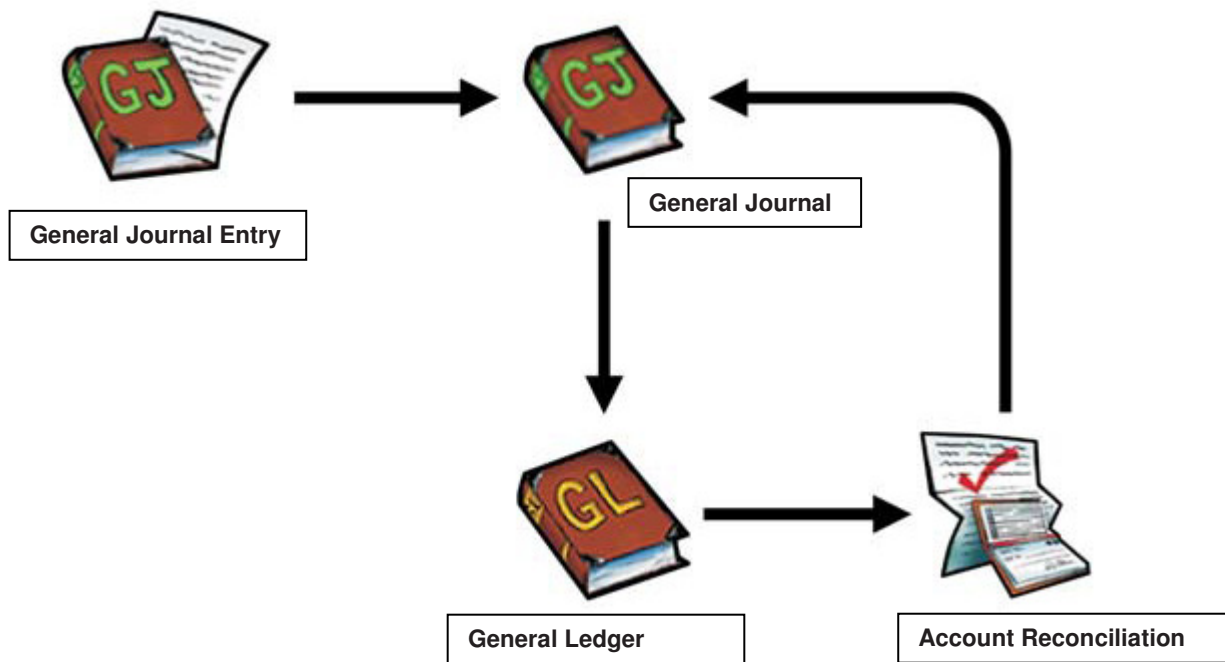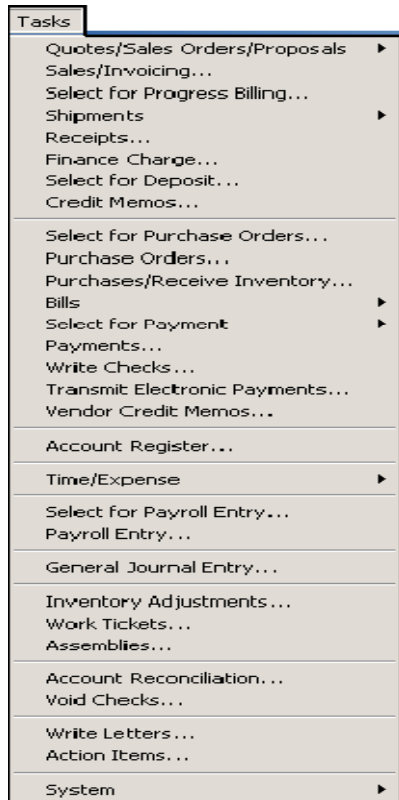


**Entering General Journal Entries**

The **General Journal Entry** window is used to enter transactions that are not recorded in other journals. In the **General Journal Entry** window, both debits and credits are entered to balance the transactions.

**To Make a General Journal Entry**

➢ Click **Tasks Menu** Button- Select **General Journal Entry**

| Tasks |
| --- |
| Quotes/Sales Orders/Proposals ▶ |
| Sales/Invoicing... |
| Select for Progress Billing... |
| Shipments ▶ |
| Receipts... |
| Finance Charge... |
| Select for Deposit... |
| Credit Memos... |
| |
| Select for Purchase Orders... |
| Purchase Orders... |
| Purchases/Receive Inventory... |
| Bills ▶ |
| Select for Payment ▶ |
| Payments... |
| Write Checks... |
| Transmit Electronic Payments... |
| Vendor Credit Memos... |
| |
| Account Register... |
| |
| Time/Expense ▶ |
| |
| Select for Payroll Entry... |
| Payroll Entry... |
| |
| General Journal Entry... |
| |
| Inventory Adjustments... |
| Work Tickets... |
| Assemblies... |
| |
| Account Reconciliation... |
| Void Checks... |
| |
| Write Letters... |
| Action Items... |
| |
| System ▶ |

**Or**

➢ Click **Banking** Navigation Bar Button – Click **General Journal Entry –** Select **New General Journal Entry**

**General Journal Entry Window**

The **General Journal Entry** window is used to enter transactions that post to the General Journal.

The image shows a "General Journal Entry" window with a menu bar (File, Edit, Go To, Window, Help) and toolbar buttons (Close, New, List, Save, Print, Copy, Delete, Row, Reports, Help). Below it shows "Journal Entry" with Date: 1/4/13, Reference field, a Reverse Transaction checkbox, and a table with columns GL Account, Description, Debit, Credit, Job. At the bottom: Totals: 0.00 0.00, Out of Balance: 0.00

- Enter **Date** – Enter **Reference–** Select **Debiting and Crediting GL Accounts –** Enter **Suitable Descriptions (Narrations) –** Enter **Credit and Debit Amounts** to the relevant Account as appropriate.

Note:The Total Debits and Total Credits for the transaction must be equal. If there is a difference it will display in the Out of Balance field. This field must be zero before the transaction can be posted.

**Class Activity**
1. Enter Date **(30/04/2015)** – Enter Reference **(JE001) –** Select **GL Accounts (10300 Debit, 27400 Credit) –** Enter **Descriptions (Bank Loan) –** EnterAmounts **(Rs. 500,000)**

2. Enter Date **(30/04/2015)** – Enter Reference **(JE002) –** Select **GL Accounts (10400 Debit, 10200 Credit) –** Enter **Descriptions (Fund Transfer) –** EnterAmounts **(Rs. 350,000)**

3. Enter Date **(30/04/2015)** – Enter Reference **(JE003) –** Select **GL Accounts (27,400 Debit, 10300 Credit) –** Enter **Descriptions (Loan Settlement) –** EnterAmounts **(Rs. 67,500)**

**Edit General Journal Entries**
- Select **List** Buttonin the **General Journal Entry Window –** Double Click **Required General Journal Entry** or **Select** and Click **Open** tool Button – Do **relevant Editions** – Click **Save**

**Class Activity**
Edit **JE002 –** New Amount **(Rs. 260,000)**

**Reverse Transactions**
You can use the reversing transaction feature for recording estimates. Later, you can reverse a transaction when you need to record the actual transaction. This can be done in any accounting period.

➢ Select **List** Buttonin the **General Journal Entry Window –** Double Click **Required General Journal Entry** – Tick **Reverse Transaction** Check Box – Click **Save**

   Or

➢ Select **List** Buttonin the **General Journal Entry Window –** Double Click **Required General Journal Entry** or **Select** and Click **Open** tool Button **–** Enter **Reverse entry** (opposite entry) – Click **Save**

**Class Activity**
Reverse **JE003**

**Recurring Journal Entries**
If the same General Journal Entry is copied into two or more future periods it is called Recurring Journal Entry. Recurring entries can be edited or deleted for the current period or for a future period at any time.

**To Record Recurring Journal Entries:**

➢ Click **Recur Button under the copy option** in the **General Journal Entry Window -** SelectFrequency of recurring in the **How often do you want to recur this transaction** field – Select **First Transaction Date –** Tick **End on/ No of Occurrence/No End Date** Check Box as appropriate **–** Click **OK**

## Class Activity

Equal Monthly bank loan installment has to be paid by the end of each month from BOC account starting on 30/04/2015 up to 31/12/2015

| Reference | Amount (Rs.) | Description | Debiting Accounts | Crediting Account |
|-----------|--------------|-------------|-------------------|-------------------|
| RBL01 | 20,000 | Loan Settlement | 27400 | 10,200 |

## Memorized General Journal Entries

You can enter and save common transactions such as General Journal entries or adjustments for later use. For example, you may want to repeat a depreciation transaction previously used for a group of assets several times. Or, you may want to repeat end-of-period accrual entries. Use of memorized transactions can save time in repetitive data entry tasks.

## To memorize a General Journal Entry

> Click **Banking** navigation bar button **–** Select **General Journal Entry –** Select **Memorize General Journal Entries under the copy option**

> ➢ Enter **Transaction ID** – Enter **Description** – Enter **Reference** – Select **Debiting GL Account** & **Crediting GL Account** – Click **Save**

**Note:** In thenormal General Journal Entry Window when you enter a General Journal Entry and at the same time if you want to memorize that entry to future use click **Arrow** button in the **Save tool button** and select **Memorize** button.

**To Use a Memorized General Journal Entry**

> ➢ Click **Banking** navigation bar button **–** Select **General Journal Entry –** Select **Memorize General Journal Entries**

> ➢ Click **Select** tool button then the normal General Journal Entry Window is appeared.

**Using the Account Register**

The Account Register lets you enter a payment to a vendor or a receipt from a customer in an easy-to-use, checkbook-register window. The transactions that display here depend upon the cash account you select and on the date range or period you select. To open up account register;

> ➢ Click **Banking** navigation bar button **–** Select **Account Register**

You can filter the transactions that display based on the cash account and by date
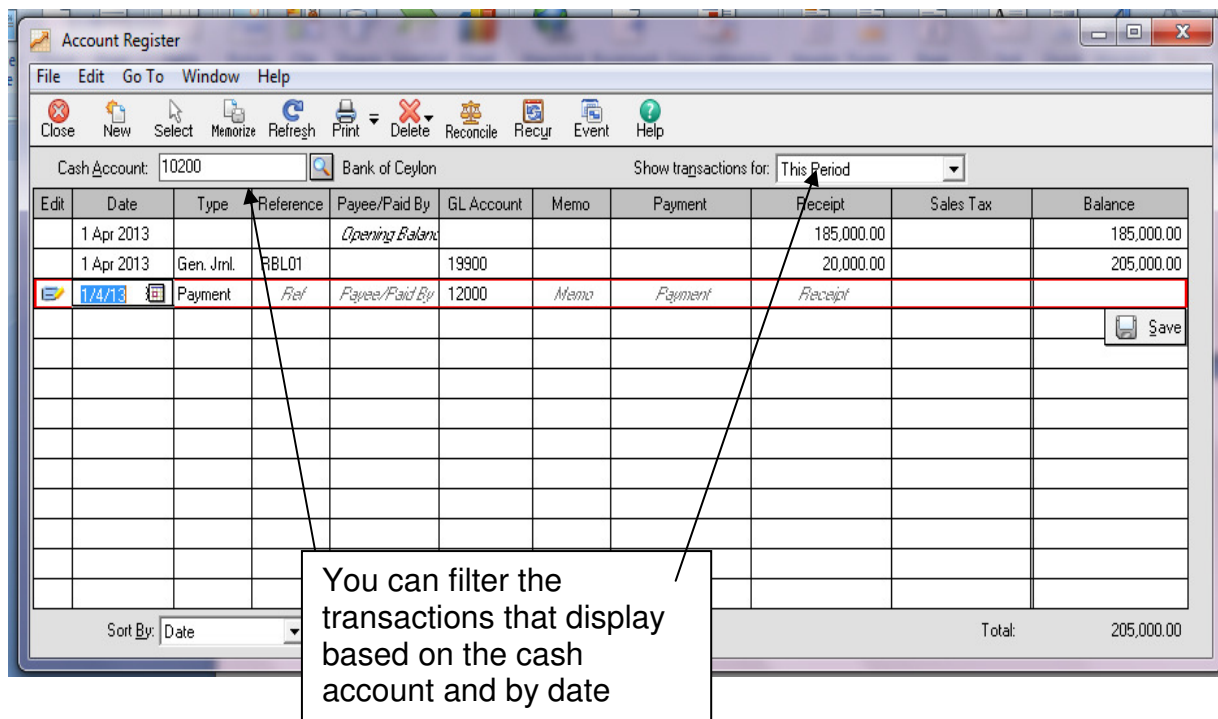
**Editing Transactions on the Account Register**

You can directly edit only those transactions that originated on the Account Register. You can double-click on most transactions to drill down to the transaction detail in the originating Task window. Some of the transactions you cannot drill down on are:

- The reverse portion of a general journal entry
- Beginning balances
- Applied prepayments for payments
- Applied prepayments for receipts

**Reconciling Bank Accounts**

Account reconciliation option in the Sage 50 is used to reconcile the selected G/L account against your monthly statement. You can reconcile any General Ledger account in Sage 50 but typically, you would reconcile bank accounts, cash accounts (such as petty cash), and credit card accounts. You should systematically reconcile accounts each period so that you can quickly detect bank errors, unpresented cheques, unrealized cheques, and other outstanding items (Such as Standing orders, direct remittances, bank charges).

To reconcile a GL account

➢ Click **Task** – Select **Account Reconciliation**

Or

➢ Click **Banking** navigation bar button – Select **Reconcile Accounts**

> Select the **bank account** to reconcile – Select **All-** Select **Statement date** (month end date) – Enter **statement ending balance** – Check **each item** in the bank account with the statement and tick the **check boxes** in the status column – Enter **bank charges** in the Service charge field – Select **date** (month end date) – Select **GL bank charges account** – Select **Adjust** tool button to record other outstanding items such as Standing orders, direct remittances (when you click Adjust button General journal entry  window is appeared and you can enter necessary journal entries) – Click **Report button** – Select **Account Reconciliation** – Close **Account reconciliation window**  - Click **OK**

Note: You need to create **GL Bank Charges** account before reconcile the bank account