



A Guide to the Accounting Journals

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What information must you keep track of? Where can you keep track of this information?

In order to keep track of your firm's financial information, the following forms have been designed for the typical VEI firm.

Suggestions for use are provided in the following table:

Information You Need to Record	Forms to Use
Increases and decreases in cash	Cash Receipts and Cash Payments journal
Sales made to customers and amounts due from customers (Accounts Receivable)	Sales journal/accounts receivable record
Purchases made from vendors and amounts due to vendors (Accounts Payable)	Purchases journal/accounts payable record
A list of all assets owned by the firm	Asset Log
Inventory (all products that are purchased for resale)	Inventory Record
Payroll, payroll taxes and payroll deductions	Payroll Register

From *APPENDIX D: GUIDE TO KEEPING FINANCIAL RECORDS IN THE VIRTUAL ENTERPRISE*,
VEI Task Based Curriculum, Unit 2: Accounting & Finance

Cash Receipts and Cash Payments Journal

This form is used to record transactions where cash is received or paid. On the left side of the form, record the amount of the payment or receipt. On the same row, on the right side of the form, enter the amount of the payment or receipt again under the column heading that best describes the reason for it. The amount in the account after each transaction is displayed in the *Balance* column. If this journal is up-to-date, the balance reported here should equal the firm's total bank account balance.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	
1	CASH RECEIPTS AND CASH PAYMENTS JOURNAL																
2																	
3							EXPLANATION										
4	REF. #	DATE	DESCRIPTION	CASH RECEIPT	CASH PAYMENT	BALANCE	ACCOUNTS RECEIVABLE	ACCOUNTS PAYABLE	SALARIES	PAYROLL WITH HOLDINGS	PAYROLL TAX EXPENSE	RENT	UTILITIES	401(K) EXPENSE	INTEREST EXPENSE	OTHER	
5																	
6						0											
7						0											
8						0											
9						0											
10						0											
11						0											
12						0											
13						0											
14						0											
15						0											

Sales Journal/Accounts Receivable Record

This journal is used to record information about all sales that the firm makes on account. Sales on account are sales that your customers have not paid for in advance or at the time of the sale. Maintaining a sales journal enables you to have access to information pertaining to sales activities including the date of the sale, due date of the invoice, the name of the customer, the amount of the sale and sales tax (if applicable). By completing the sales journal after each sale made on account, you will be able to summarize information you will need to report in the financial statements.

	A	B	C	D	E	F	G	H	I	J	K	L
1	SALES JOURNAL / ACCOUNTS RECEIVABLE RECORD											
2	INVOICE NO.	DATE OF SALE	DUE DATE	CUSTOMER	(If employee, company employed by.)	SALE AMOUNT	SALES TAX	S & H	AMOUNT DUE	AMOUNT PAID	DATE PAID	BALANCE
3							0.00		0.00			0.00
4							0.00		0.00			0.00
5							0.00		0.00			0.00
6							0.00		0.00			0.00
7							0.00		0.00			0.00
8							0.00		0.00			0.00
9							0.00		0.00			0.00
10							0.00		0.00			0.00
11							0.00		0.00			0.00
12							0.00		0.00			0.00
13							0.00		0.00			0.00
14							0.00		0.00			0.00
15							0.00		0.00			0.00

Purchases Journal/ Accounts Payable Record

This journal is used to record information about all purchases that the firm makes on account. Purchases on account are purchases that are not paid for in advance or at the time of the purchase. Maintaining a purchases journal enables you to have access to information pertaining to purchasing activities including the name of the vendor, the amount of the purchase, the payment due date, including the account involved in the purchase, (equipment, furniture, supplies, etc.). By completing the purchases journal after each purchase made on account, you will be able to summarize information you will need to report in the financial statements.

	A	B	C	D	E	F	G	H	I
1	PURCHASES JOURNAL / ACCOUNTS PAYABLE RECORD								
2	DATE ORDERED	VENDOR	DESCRIPTION	ACCOUNT	DATE DUE	INVOICE AMOUNT	DATE PAID	AMOUNT PAID	BALANCE
3									0.00
4									0.00
5									0.00
6									0.00
7									0.00
8									0.00
9									0.00
10									0.00
11									0.00
12									0.00
13									0.00
14									0.00
15									0.00
16									0.00
17									0.00
18									0.00
19									0.00

Inventory Record

Inventory records are used to keep track of merchandise, which are products purchased for resale. Whenever merchandise is purchased from the wholesaler or sold to the customer, the inventory record should be updated. The form has been designed so that details about each individual product can be maintained on a separate worksheet, and the totals from each worksheet are displayed on the inventory control worksheet. The cost of the inventory you sell to customers is reported on the income statement as the cost of goods sold. The value of the inventory the firm owns at the end of the year is reported in the balance sheet.

	A	B	C	D	E	F	G
1	Inventory Control						
2							
3							
4		DATE	ITEM NAME	ITEM #	QUANTITY ON HAND	COST	TOTAL
5	1		0		0		0
6	2		0		0		0
7	3		0		0		0
8	4						
9	5						
10	6						
	7						

	B	C	D	E	F	G	H	I	J	K
	Item Name:						Preferred Inventory Level			
	Item #:						Minimum:			
	Description:						Maximum:			
	Purchased			Sold			Balance			
	Date	Units	Unit Cost	Total	Units	Unit Cost	Cost of Goods Sold	Units	Unit Cost	Total
				0			0	0		0
				0			0	0		0
				0			0	0		0
				0			0	0		0
				0			0	0		0
				0			0	0		0
				0			0	0		0
				0			0	0		0