

## **SPECIAL JOURNALS**

Special journals are used to make recording and posting frequently occurring transactions more efficient.

Special journals are customized to fit the needs of each business. Special journals are made up of “special” columns labeled with account titles for accounts used in frequently occurring transactions. All special journals also include an “Other” or “Sundry” column that is used to hold accounts and amounts for items that do not fit in the special columns.



When using a special journal system, analyze transactions as normal and record the transaction in the appropriate journal as discussed below.

Posting from special journals occurs differently from the General Journal. Any amounts affecting a customer or creditor are posted immediately from the special journal to the appropriate account in the Accounts Receivable or Accounts Payable subsidiary ledger. A check mark is placed in the Post Reference column of the journal to indicate this amount has been posted to the customer or creditor account. Any amounts in the Other column are posted immediately to the account written in the account title column. The account number is placed in the post reference column to show this amount has been posted. Special columns are posted at the end of the month as a column total. Account numbers are placed under each column total in parentheses to indicate that these amounts have been posted. A check mark is placed under the Other column total to indicate that this amount has already been posted (when the individual amounts were posted).

### **POSTING ORDER OF JOURNALS**

In order to avoid negative balances, the following order of posting column totals is recommended:

- Purchases
- Sales/Revenue
- Cash Receipts
- Cash Payments

## MORE ABOUT SPECIAL JOURNALS

Four special journals are generally used—Purchases Journal, Revenue/Sales Journal, Cash Receipts Journal and Cash Payments Journal. When the special journal system is used by a company, *the General Journal is not eliminated*, but is used to record only those transactions that do not fit in one of the special journals (see Which Journal Do I Use?).

### PURCHASES JOURNAL

The Purchases Journal is used to record **any purchase on account**. The purchase invoice or receipt is the source document for recording the purchase.

When using a Purchases Journal, follow these steps:

1. Post to the creditor accounts in the subsidiary ledger from the Purchases Journal immediately. This will increase the balance in the creditor account.
2. Post any entries affecting an *other account* immediately.
3. Total and cross-foot the journal at the end of the month.
4. Post the column totals for the Purchases Journal at the end of each month. Each account is posted according to its column heading. The total of the Other Accounts column is not posted since these amounts have already been posted individually. Place the account numbers under each column to show the column totals have been posted.

### REVENUE/SALES JOURNAL

The Revenue/Sales Journal is used to record **providing a service (Revenue Journal) or product (Sales Journal) on account**. The sales invoice or receipt is the source document for recording these transactions.

When using a Revenue/Sales Journal, follow these steps:

1. Post to the individual customer accounts in the subsidiary ledger immediately. This will increase the balance in the customer account.
2. Total and cross-foot the journal (if necessary) at the end of the month.
3. Post the column totals at the end of each month. Debit Accounts Receivable and Credit the revenue account. Place the account numbers under each column to show the column totals have been posted.

## CASH RECEIPTS JOURNAL

The Cash Receipts Journal is used to record **any receipt of cash**.

When using a Cash Receipts Journal, follow these steps:

1. Post any entries affecting an *other account* immediately to the General Ledger. Place the account number in the PR column of the Cash Receipts Journal to show that this amount has been posted.
2. Total and cross-foot the journal at the end of the month.
3. Post the column totals at the end of each month. Each account is posted according to its column heading. The total of the Other Accounts column is not posted since these amounts have already been posted individually. Place the account numbers under each column to show the column totals have been posted. A check mark is placed under the Other Account column to show that this total has been posted as individual amounts.

## CASH PAYMENTS JOURNAL

The Cash Payments Journal is used to record **any payment of cash**.

When using a Cash Payments Journal, follow these steps:

1. Post any entries affecting an *other account* immediately to the General Ledger. Place the account number in the PR column of the Cash Receipts Journal to show that this amount has been posted.
2. Total and cross-foot the journal at the end of the month.
3. Post the column totals at the end of each month. Each account is posted according to its column heading. The total of the Other Accounts column is not posted since these amounts have already been posted individually. Place the account numbers under each column to show the column totals have been posted. A check mark is placed under the Other Account column to show that this total has been posted as individual amounts.