
Does Your Accounting System Measure Up?

This article describes the Basics of how to Measure Your Accounting System.

If you are using an accrual accounting method, these items should be verified every month:

1. Print the **General Ledger Trial Balance** using the last day of the month.
2. Print the **Report.Analysis, Financial Manager**. Choose last day of the month, Key Balances.
3. Analyze the results:

The Accounts Receivable Amount found in the **General Ledger Trial Balance**:

- Should equal to the Amount Due Total on the **Aged Receivables Report**; and
- Should also equal to **Financial Manager** Amount for *Accounts Receivables* plus Other Receivables minus Allowance for Doubtful Accounts

The Accounts Payable Amount found in the **General Ledger Trial Balance**

- Should equal to Amount Due Total on the **Aged Payable Report**; and
- Should equal to **Financial Manager** Amount for *Accounts Payable*

The Inventory Amount found in the **General Ledger Trial Balance**

- Should equal to the Amount Total on the **Inventory Validation Report**; and
- Should equal to **Financial Manager** Amount for *Inventory*

Payroll Amounts for Salary and Wages Accounts in the **General Ledger Trial Balance**

- Should equal to the total YTD Gross on the **Yearly Earnings Report**

The Total Amount of the *Cash Accounts* in the **General Ledger Trial Balance** (*If you are unsure what accounts are cash accounts, print out the chart of accounts*)

- Should equal to the **Financial Manager** Amount of Cash

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