

# Business Accounting Tips

## General Journal

### Non-Cash Transactions

Financial Navigator is a double-entry accounting system with journal entry capabilities. Use a general journal for recording items such as depreciation and amortization that occur when a check is not written.

Refer to Lesson 31 of the *Training Guide, Volume II* for a discussion of how to set up a general journal account and enter transactions in a general journal.

### Developing a System

Be systematic and be consistent. If you regularly make the same group of general journal entries each month or each year, make them in the same way each period. Complex general journal entries can be confusing.

Making them consistent each time helps reduce the confusion.

**Tip:** After making one or more general journal entries, print out a **Transactions by Account** report with Distributions for the General Journal account. Save the report for future reference.

### Numbering Journal Entries

Although Financial Navigator defaults to 1 for the first General Journal entry for the year, you are not forced to use this numbering system. Number entries to reflect both month and specific entry. For example, an entry numbered 0301 tells the user that the journal is for the month of March.

### Naming Unique Payees

Use unique payees for data clarification. That is, create a payee to be used for General Journal entries only. Make the entries as descriptive as possible. Examples are:

Computer Equipment/Depreciation

Leasehold Improvements/Depreciation

Monthly Sales/Cost of Goods Sold

Avoid payee names such as "Adjustment" or "Correction," which can be unclear.

## Maintaining Documentation

Supporting documentation is vital. The business world is far from the "paperless office." Paper files describing how your General Journal entries were computed ensures you can understand what you meant with a particular entry in the future.

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## Improving Payroll Automatic Entries

Due to many factors, the net amount on payroll checks varies from one check to the next. This is not handled well by the standard Automatic Entry setup but can be handled with a minor modification. By making one change to the automatic entry, you can enter regular paychecks or special ones for a different amount using the same automatic entry.

### *To improve the standard automatic entry for payroll:*

1. Select **Transactions | Business Payroll Expense** and set up the regular automatic payroll entry.
2. Select **Transactions | Automatic Entries**.
3. Specify the payee for the payroll transaction.
4. In the Automatic Entry screen change the first line of the entry to **Action Code 2 - Net Distribution Amount**.

**How to Reach Us**

**Information and Sales:** ..... 800 468-FNFN (3636)  
**Fax:** ..... 650 962-0730  
**Web site:** ..... www.finnav.com  
**E-mail:** ..... customerservice@finnav.com  
**Technical Support:** ..... 650 962-8510  
**Hours:** ..... Monday - Friday 7:30 a.m. - 4:30 p.m. PT  
**Business Address:** ..... 254 Polaris Ave  
 ..... Mountain View, CA 94043  
**Telephone:** ..... 650 962-0300

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