



## How to enter Journals entries using special journals

Journal entries using special journals are recorded by first deciding which type of frequent transaction you have (sales on credit, purchases on credit, cash received, or cash paid) and then entering it in that specific journal instead of the general journal. Each special journal has standard debit and credit columns that you fill in, and only unusual or adjusting items go to the general journal.<sup>[1]</sup> <sup>[2]</sup>

### What special journals are

Most manual accounting systems use four **main** special journals.<sup>[2]</sup> <sup>[1]</sup>

- Sales journal: For all sales made on credit (debit Accounts Receivable, credit Sales, plus Sales Tax Payable if applicable).<sup>[1]</sup> <sup>[2]</sup>
- Purchases journal: For all purchases on credit of inventory or other goods/services (debit Purchases or Inventory, credit Accounts Payable).<sup>[1]</sup>
- Cash receipts journal: For any transaction in which cash is received, even if only part of the transaction is cash (always debit Cash, credit the source such as Sales or Accounts Receivable).<sup>[3]</sup> <sup>[1]</sup>
- Cash disbursements (cash payments) journal: For any transaction where cash is paid out (always credit Cash, debit the appropriate expense, asset, or liability).<sup>[2]</sup> <sup>[1]</sup>

### General steps to enter a transaction

When you have a transaction, you follow the same basic steps before deciding which journal to use.<sup>[4]</sup> <sup>[5]</sup>

- Identify which accounts are affected and whether they are debited or credited, using normal debit/credit rules.<sup>[4]</sup>
- Decide if the transaction fits one of the four high-volume categories; if yes, record it in that special journal, otherwise use the general journal.<sup>[2]</sup> <sup>[1]</sup>
- Write the date, reference number (document or invoice), relevant debits and credits in the correct columns, and a brief description.<sup>[6]</sup> <sup>[4]</sup>

## How to use each special journal

Each special journal has its own pattern for entering journal entries.<sup>[1]</sup> <sup>[2]</sup>

- Sales journal: Enter date, customer, invoice number, and the total credit sale; the journal is set up so Accounts Receivable is automatically debited and Sales is credited, often with a separate column for sales tax.<sup>[2]</sup>
- Purchases journal: Enter date, supplier, invoice number, and amount; the format debits Purchases/Inventory and credits Accounts Payable for each entry.<sup>[1]</sup>
- Cash receipts journal: For every receipt, debit Cash and credit the source (Sales, Accounts Receivable, loan, etc.), with separate columns for common credit accounts and an "other" column.<sup>[3]</sup> <sup>[1]</sup>
- Cash disbursements journal: For each payment, credit Cash and debit the main reason for the payment (expenses, inventory, payable, etc.), again using standard and "other" columns.<sup>[2]</sup> <sup>[1]</sup>

## Posting and totals

Special journals simplify posting to the general ledger by using daily entries but periodic totals.<sup>[7]</sup> <sup>[5]</sup>

- Individual Accounts Receivable and Accounts Payable postings usually go daily to customer and supplier subledgers, using the information from the sales and purchases journals.<sup>[5]</sup> <sup>[2]</sup>
- At the end of the period, column totals from each special journal are posted to the relevant general ledger control accounts (for example, total credit sales to Sales, total cash received to Cash).<sup>[7]</sup> <sup>[1]</sup>

## When to use the general journal instead

Even with special journals, some entries must still go into the general journal.<sup>[8]</sup> <sup>[2]</sup>

- Transactions that do not involve frequent categories, such as correcting entries, adjusting entries (depreciation, accruals, prepayments), and closing entries.<sup>[2]</sup>
- Unusual or complex transactions that do not fit neatly into sales, purchases, cash receipts, or cash payments patterns.<sup>[8]</sup> <sup>[2]</sup>

If you say which system or textbook you are using (for example, specific column layouts), a brief example can be tailored to match that format.

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1. [https://biz.libretexts.org/Bookshelves/Accounting/Financial\\_Accounting\\_\(OpenStax\)/07:\\_Accounting\\_Information\\_Systems/7.02:\\_Describe\\_and\\_Explain\\_the\\_Purpose\\_of\\_Special\\_Journals\\_and\\_Their\\_Importance\\_to\\_Stakeholders](https://biz.libretexts.org/Bookshelves/Accounting/Financial_Accounting_(OpenStax)/07:_Accounting_Information_Systems/7.02:_Describe_and_Explain_the_Purpose_of_Special_Journals_and_Their_Importance_to_Stakeholders)
2. [https://biz.libretexts.org/Bookshelves/Accounting/Financial\\_Accounting\\_\(OpenStax\)/07:\\_Accounting\\_Information\\_Systems/7.03:\\_Analyze\\_and\\_Journalize\\_Transactions\\_Using\\_Special\\_Journals](https://biz.libretexts.org/Bookshelves/Accounting/Financial_Accounting_(OpenStax)/07:_Accounting_Information_Systems/7.03:_Analyze_and_Journalize_Transactions_Using_Special_Journals)
3. <https://spssc.c.pressbooks.pub/financialaccountingoriginal/chapter/describe-and-explain-the-purpose-of-special-journals-and-their-importance-to-stakeholders/>

4. <https://www.quicken.com/blog/recording-transaction-journal/>
5. <https://openstax.org/books/principles-financial-accounting/pages/3-5-use-journal-entries-to-record-transactions-and-post-to-t-accounts>
6. <https://www.deskera.com/blog/journalizing-transactions/>
7. <https://www.thehartford.com/business-insurance/strategy/accounting-recordkeeping/special-journals>
8. <https://www.harpercollege.edu/academic-support/tutoring/subjects/Chapter 2 Review 11th ed.pdf>
9. <https://www.dwmbeancounter.com/BCTutorials/SpecialJournals/sales-cash-receipts.html>
10. <https://www.bench.co/blog/bookkeeping/journal-entries>