

Ledger Entries – How to Define Credit Accounts

<i>Speech</i>	<i>Cursor Actions</i>
For Ledger Entries to work properly, you must specify account codes corresponding to accounts in the Chart of Accounts in your accounting software.	Slide: Ledger Entries <i>require</i> account codes that match the Chart of Accounts in your accounting software.
Before watching this video, you should watch: <ul style="list-style-type: none"> • Ledger Entries – Overview 	Slide: Before watching this video, watch: <ul style="list-style-type: none"> • Ledger Entries – Overview
Credit accounts usually correspond to a type of revenue you have received. For example, a donation, the purchase price for some tickets, a fee for a course, or memberships, or selling an item from a gift shop. They also accommodate surcharges, like taxes.	Slide: Credit accounts represent the type of receipt. For example: <ul style="list-style-type: none"> • a donation • a ticket sale • a course registration • membership purchase or renewal • items sold in gift shop • surcharges, like taxes
Define a credit account for each type of revenue your organization receives, as well as accounts designated for tracking any surcharges that may apply to transactions.	Slide: Set up credit accounts for: <ul style="list-style-type: none"> • every type of revenue your organization receives • any surcharges that apply to transactions
Once all of this is defined, and you begin processing transactions, Sumac will ledgerize all transactions into the appropriate debit and credit accounts. In the end, the sum of debits will equal the sum of credits.	Slide: as you process transactions, Sumac will ledgerize transactions into debit and credit accounts. The sum of debits will equal the sum of credits.
To set up new Account Codes, expand Utilities, Customize Database, then click Lookup Lists.	Show console. Expand Utilities, Customize Database, click Lookup List.
Choose the Area: Payments, then click the Lookup List: Accounts.	Choose Area: Payments, Choose Lookup List: Accounts
Click New to add a new account.	Click New.
When you enter an account to this Lookup List, you enter two pieces of information: <ul style="list-style-type: none"> • the code that is used by your accounting software, and • a name which is presented to users of Sumac so that they can make the appropriate choice when selecting an account 	Point to Account Code field Point to Account Name field
Ensure you are entering the code exactly as it appears in your accounting program.	Enter Account Code

	Enter Account Name “Donations Received”
In the future, if you discontinue the use of this account, you can mark it as inactive.	Point to Inactive
We are defining a Credit Account, so leave this checkbox blank.	
Click OK to save this Account.	Click OK
Now let's define an account for surcharges.	
Click New, and enter the appropriate Account Code and Account Name for surcharges.	Click New. Enter Account Code. Enter Account Name “Surcharges”
Click OK to save this Account.	Click OK
Continue these steps until you have defined all the account codes, as they appear in your accounting system.	
<i>Check out more training videos to learn more about managing Ledger Entries in Sumac!</i>	Slide: “Move on to Ledger Entries – How to Assign Default Credit Accounts”