

GENERAL LEDGER

How to handle advancements to employees for Company's expenses?

Sample scenario below is for an employee called "**Employee A**" who takes a **\$2000 advance** from the Company for a company's exhibition trip to Germany.

STEP 1 : Make Advance Payments to Employee A.

Cash Bank Book

Cash / Bank Book

ADD GC EDIT

Type GC 6 Ref No./Doc No. BEA 565887 Date 01-Mar-20

Default Customer Supplier Employee Recipient / Payee Employee A - Advancement - Germany Exhibition Trip

Bank BEA-SGD-1 BEA (\$\$) Acct 1: 90099073 (Current) Cheque No BEA 565887

PDSU None NA NA NA

Currency SGD Exchange Rate 1

Narration Employee A - Advancement - Germany Exhibition Trip

Detail Attachment Custom

SrNo	Account	Detail	Debit Amt	Credit Amt	Base Amt
1	08720 Project Advances To Staff	S B	2,000.00	0.00	2,000.00
	GST Applicable	Type Supply GST 0% GST	0.00% 0.00	0.00	0.00
	GST Applicable	Type	0.00	0.00	0.00

Line Item Description

Line No 1

Account Code 08720

Project Advances To Staff

PDSU None Engrg NA NA

Detail Narration

Air Ticket and Hotel Accommodation for Germany Exhibition Trip

EXIT

Bank-In Date

From Bank

0.00

0.00

0.00

0.00

0.00

STEP 2 : Recognise the actual expenses incurred with the receipts provided by Employee A.

(a) **Scenario 1** - When the initial payment of \$2000 to Employee A was more than the actual receipts of \$1850. This resulted in Employee A owes Company \$150.

GENERAL LEDGER

General Ledger Transactions

General Ledger Transaction

Type: GJ No: 7 Ref No./Doc No: JV-0000007 Date: 13-Mar-20

PDSU: None Engrg: NA NA Narration: Employee A - Air Ticket & Entertainment - Germany Exhibition Trip

Currency: SGD Exchange Rate: 1

Detail: Attachment

SrNo	Account	Debit Amt	Credit Amt	
181930	Travelling Expenses	1,250.00	0.00	1. Amounts from receipts
Detail B s	Employee A - Air Ticket - Germany Exhibition Trip			
280400	Entertainment	600.00	0.00	2. Amount advanced to employee
Detail B s	Employee A - Entertainment - Germany Exhibition Trip			
308720	Project Advances To Staff	0.00	2,000.00	
Detail B s	Employee A - Air Ticket & Entertainment - Germany Exhibition Trip			
491000	Employees Account	150.00	0.00	
Detail B s	Employee A - Excess in Advancement - Air Ticket & Entertainment - Germany Exhibition Trip			
Detail B s		0.00	0.00	
Debit - Credit		0.00		
Totals		2,000.00	2,000.00	0.00

3. The difference \$150.00 is the extra portion paid earlier on to Employee

PREVIEW SAVE EXIT

(b) **Scenario 2** - When the initial payment of \$2000 to Employee A was less than the actual receipts of \$2250. This resulted in Company owes Employee A \$250.

GENERAL LEDGER

General Ledger Transactions

ADD EDIT

General Ledger Transaction

Type GJ No 7 Ref No./Doc No. JV-0000007 Date 13-Mar-20

PDSU None Engrg NA NA Narration Employee A - Air Ticket & Entertainment - Germany Exhibition Trip

Currency SGD Exchange Rate 1

Detail Attachment

SrNo	Account	Debit Amt	Credit Amt	Base Amt
1 81930	Travelling Expenses	1,250.00	0.00	1,250.00
Detail B s	Employee A - Air Ticket - Germany Exhibition Trip			
2 80400	Entertainment	1,000.00	0.00	1,000.00
Detail B s	Employee A - Entertainment - Germany Exhibition Trip			
3 08720	Project Advances To Staff	0.00	2,000.00	-2,000.00
Detail B s	Employee A - Air Ticket & Entertainment - Germany Exhibition Trip			
4 91000	Employees Account	0.00	250.00	-250.00
Detail B s	Employee A - Shortage in Advancement - Air Ticket & Entertainment - Germany Exhibition Trip			
Detail B s			0.00	0.00
Debit - Credit		0.00		
Totals		2,250.00	2,250.00	0.00

Senario 2 : This is an example whereby the company has still \$250.00 owing to Employees

PREVIEW SAVE EXIT

Unique solution ID: #1058
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