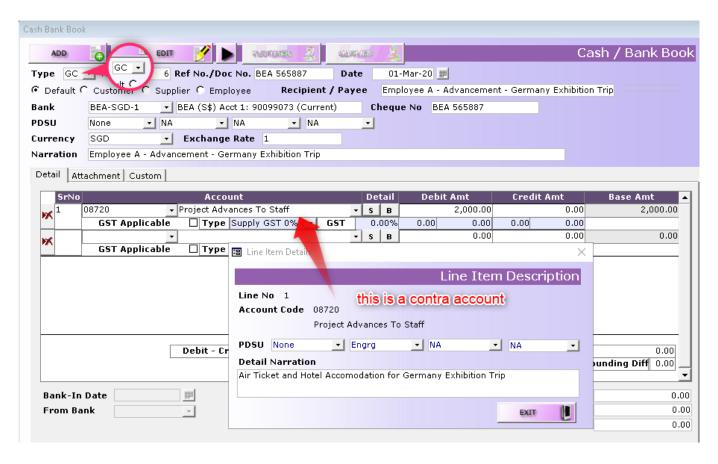# GENERAL LEDGER

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.
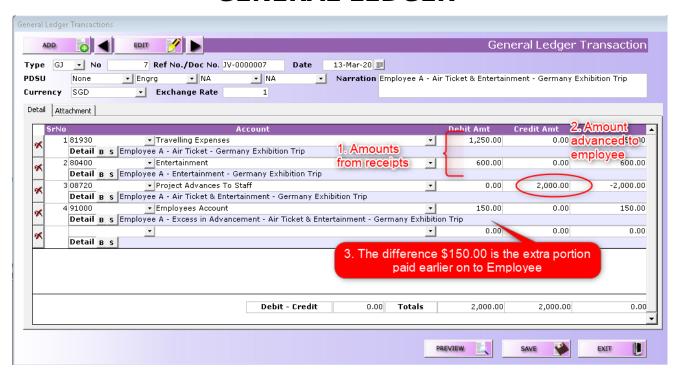
STEP 1 : Make Advance Payments to Employee A.

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

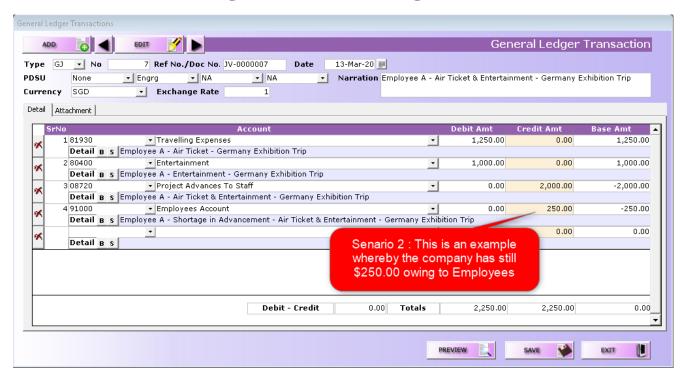(a) **Scenario 1** - When the initial payment of $2000 to Employee A was more than the actual receipts of $1850. This resulted in Employee A owes Company $150.

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(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.

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

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