

ELIMINATION OF CHAPTER PARAPHERNALIA AND DEPRECIATION ACCOUNTS

2016 – 2017

As provided in the 2016 – 2017 Recorder Handbook, pages 27 thru 29 the following procedure is to be used to eliminate the paraphernalia and depreciation accounts for all chapters. This assists in the proper recording of the paraphernalia figures provided on the updated Chapter Audit Report.

The Recorder is responsible for the elimination of the Paraphernalia and Depreciation Accounts. We used April 30, 2016 in the example however you may use any date after May 1, 2016.

Begin with the dollar amount in the 1805.00 Paraphernalia Account and the 1810.00 Accumulated Depreciation Account.

Complete a General Journal Entry dated April 30 with a credit for the amount in 1805.00 and a debit for the amounts in the 1810.00 and the 54xx.00 Depreciation Expense Account.

Example:

If your 1800 accounts have the following amounts:

1800.00 Furniture & Equipment	\$	800.00
1805.00 Paraphernalia figure	\$	1,000.00
1810.00 Accumulated Depreciation Amount	\$	200.00

The General Journal Entry would be as follows:

Account	Debit	Credit	Memo	Name	Billa...	Class
1805.00 · Furniture, Fixtures, & Equip		1,000.00	Adjusting Entry Elimination of Paraphernalia			General Fund
1810.00 · ACCUMULATED DEPRECIATION	200.00		Adjusting Entry Elimination of Paraphernalia			General Fund
5430.00 · Depreciation Expense	800.00		Adjusting Entry Elimination of Paraphernalia			General Fund

When the General Journal entry is saved, the figures in the 1800.00 accounts should now all be at zero.

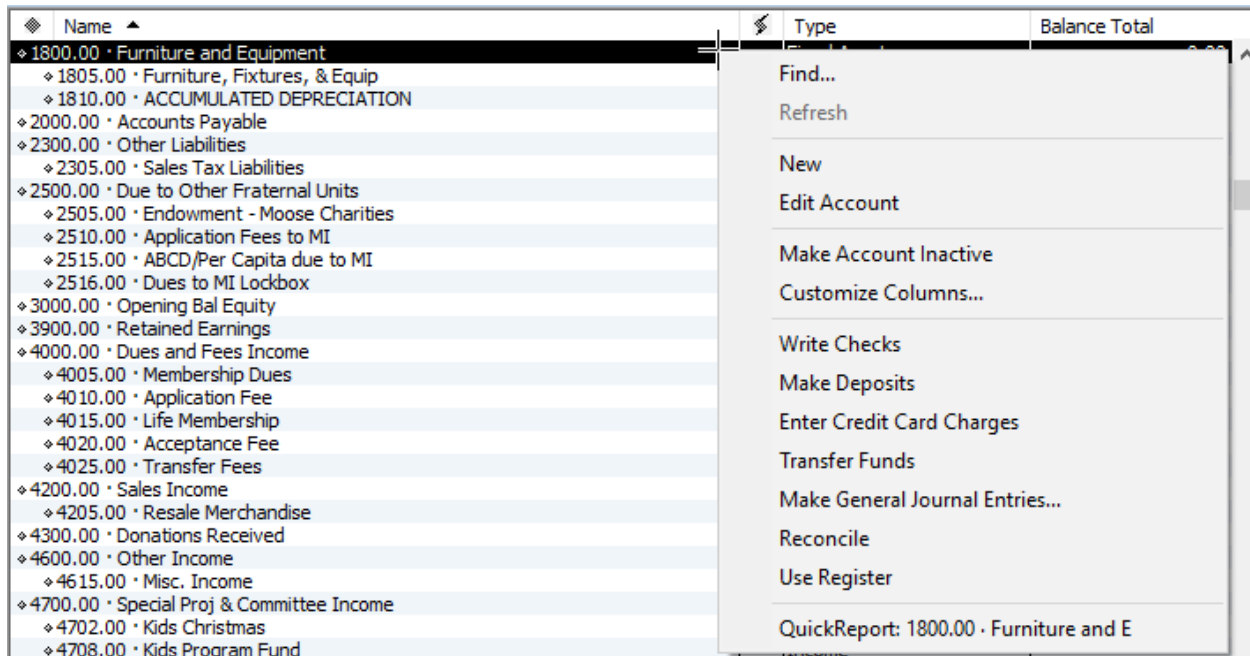
◆ 1800.00 · Furniture and Equipment	Fixed Asset	0.00
◆ 1805.00 · Furniture, Fixtures, & Equip	Fixed Asset	0.00
◆ 1810.00 · ACCUMULATED DEPRECIATION	Fixed Asset	0.00

Do the General Journal Entry with the figures in your chart of accounts. If you have additional accounts under the 1800.00 parent account dealing with the paraphernalia, you would eliminate these as well. All positive numbers will be a credit and any negative numbers will be a debit. Just add the line to General Journal Entry. Once the accounts are at a zero balance, make the accounts inactive.

Making Paraphernalia and Depreciation Accounts Inactive:

Once the General Journal entry is completed, make the accounts inactive.

To make an account inactive, from the Chart of Accounts list, right click on the 1800.00 parent account. A pop up menu will appear.



Left Click on Make Account Inactive. The 1800.00 Parent Account and all subs will be made inactive and be removed from your screen.

Please contact your Technical Trainer or 2-HOTT Session Leader for assistance.