

# Grain Journal Entries

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The following article explains how to record purchases and sales of grain in Accounting. It provides examples of Journal Entries for different types of transactions and explains how to adjust the quantity balance of accounts. The document emphasizes the importance of following specific rules based on whether the account has a normal debit or credit balance when recording transactions. By following these guidelines, individuals can keep their accounting organized and accurate.

## Purchase Entries

A debit entry to a normal debit balance account (such as Purchases) treats a positive quantity as an increase to that account. A credit entry to a normal debit balance account treats a positive quantity as a decrease to that account.

### Example 1:

This is the Journal Entry for a normal purchase. A positive *Quantity* with the debit amount to the Corn Purchases account means the Corn Purchases quantity will be increased.

	<Account>	Account Name	Debit \$	Credit \$	Quantity
1	5520000-00	Purchases - Seed Corn	5700.00	0.00	3000.000
2	2150003-00	Grain Payable	0.00	5700.00	

### Example 2:

This is the Journal Entry for a normal purchase return. A positive *Quantity* with the credit amount to the Corn Purchases account means the Corn Purchases quantity will be decreased.

	<Account>	Account Name	Debit \$	Credit \$	Quantity
1	5520000-00	Purchases - Seed Corn	0.00	5700.00	3000.000
2	2150003-00	Grain Payable	5700.00	0.00	

## Sales Entries

A credit entry to a normal credit balance account (such as Sales) treats a positive quantity as an increase to that account. A debit entry to a normal credit balance account treats a positive quantity as a decrease to that account.

### Example 1:

This is the Journal Entry for a normal sale. A positive *Quantity* with the credit amount to the Corn Sales account means the Corn Sales quantity will be increased.

	<Account>	Account Name	Debit \$	Credit \$	Quantity
1	4520000-00	Sales - Seed Corn	0.00	10000.00	5000.000
2	1200000-00	Accounts Receivable	10000.00	0.00	

### Example 2:

This is the Journal Entry for a normal sales return. A positive *Quantity* with the debit amount to the Corn Sales account means the Corn Sales quantity will be decreased.

	<Account>	Account Name	Debit \$	Credit \$	Quantity
1	4520000-00	Sales - Seed Corn	10000.00	0.00	5000.000
2	1200000-00	Accounts Receivable	0.00	10000.00	

## Quantity Adjustments

Journal Entries may be created with *Quantities* only (no dollar entries). These Journal Entries are used to make an adjustment to the quantity balance of any G/L Account. Because a Journal Entry currently forces the save of a zero balance in the *Debit \$* column (even if nothing is entered in the *Debit \$* or *Credit \$* columns), quantity adjustments must be entered using the following rules:

Increase a normal debit balance account; enter the quantity as a positive figure.

	<Account>	Account Name	Debit \$	Credit \$	Quantity
1	5520000-00	Purchases - Seed Corn			50.000

Decrease a normal debit balance account; enter the quantity as a negative figure.

	<Account>	Account Name	Debit \$	Credit \$	Quantity
1	5520000-00	Purchases - Seed Corn			-50.000

Increase a normal credit balance account; enter the quantity as a negative figure.

	<Account>	Account Name	Debit \$	Credit \$	Quantity
1	4520000-00	Sales - Seed Corn			-200.000

Decrease a normal credit balance account; enter the quantity as a positive figure.

	<Account>	Account Name	Debit \$	Credit \$	Quantity
1	4520000-00	Sales - Seed Corn			200.000

## Reversing Quantity Only

Agvance uses the amount (positive or negative) of the *Debit* or *Credit* column to control the sign on the *Quantity* column. Journal Entries with quantity only have no dollars and therefore the quantity rules do not change on a reversal because the amount/dollars are not different. A reversal of a quantity-only Journal Entry adds a new Journal Entry using the same quantity, therefore compounding the problem.

To fix any quantity-only Journal Entries that are incorrect, add a manual Journal Entry for the correct quantity.