

## This article covers: How to input Opening Balance Stock value How to input Stock take values

The value of stock determines what your true profit or loss will be. To enter stock values you need to use Journal entries.

You can find Journals by clicking on - **Accounts** and **Journals**

To input Opening Balance Stock:

1. Click on **Accounts** and **Journals** and **Add**
2. It is very important that you input the date of this journal as the last date of your previous accounting year eg. If your accounts year starts from 01/01/2011 then the date should be 31/12/2010.
3. Put into **Amount** the Stock value at the end of your accounting year.
4. In **Debit** select *Stock (Current Asset 13000)*. This is the Balance Sheet Stock Nominal.
5. **Credit Opening Balances** and click on **OK**. See screenshot below.
6. With the above steps you have shown on your Balance Sheet what value of Stock was in the business at the beginning of your first accounting year in SortMyBooks.

**Add**

Date: 31/12/2010

Total Amount: 50000

Description: Opening Stock

Debit: Stock

Job: Sample Food Compar

Asset Class:

- Reverse

Reverse Date:

Note:

**Note:** I'm Debiting (or increasing) Stock on the Balance Sheet. I want to show what value of stock was in the business at the end of the previous accounting year.

**Adding Journals**

Type in the amount, type in a description so you'll easily see what this journal was for. Select the Nominal you are moving the money from and select the Nominal you are moving the money to. Make sure that you are inputting the correct date. Eg. for opening balance nominals from last year your date should be the last accounting day of your previous year.

OK Cancel

### How to check you've done it right:

Click on **Reports, Ledger Reports** and **Balance Sheet**. Go to **Current Assets** section you should see your Stock Value in **Stock**.

Next Step is to move the stock from the Balance Sheet into the Profit and Loss Opening Stock. You do this by:

1. Click on **Accounts** and **Journals**
2. It is very important that you input the date of this journal as the FIRST date of your current accounting year eg. If your accounting year starts 01/01/2011 then this is the date that you should input.
3. Put into the **Amount** the same value that you had put in the previous Journal for Stock.
4. In **Debit** select *Opening Stock (Cost of Sales 58000)*
5. **Credit (Stock - 13000)**
6. This has now moved the Stock from the Balance Sheet to the Profit and Loss. Check by clicking on Reports, Ledgers and Trial Balance – Stock should now be 0 in Current Assets Stock and the value should be in Cost of Sales Opening Balance. See screenshot next

...continued on next page

**Add**

Date: 01/01/2011

Total Amount: 6000

Description:

Debit: opening stock

Credit: Stock

Asset Name:

Asset Class:

- Reverse

Reverse Date:

Job: Sample Retailer Comp

Note:

**Adding Journals**

Type in the amount, type in a description so you'll easily see what this journal was for. Select the Nominal you are moving the money from and select the Nominal you are moving the money to. Make sure that you are inputting the correct date. Eg. for opening balance nominals from last year your date should be the last accounting day of your previous year.

OK Cancel

Move Stock from Balance Sheet to P&L using date 1<sup>st</sup> date of your accounting year.

## How to Input Stock Take Values

The sample below assumes that you are going to be doing a monthly stock take. If your stock take is Quarterly or every 6 months then adjust the dates accordingly.

At the end of the first month of your accounting year, do your stock take and enter your stock valuation as at the last day of the month.

1. Click on **Accounts** and **Journals** and **Add**
2. Put in the date as the last day of the first month of your accounting year.
3. Put into the **Amount** the value of the stock from the Stock Take you have just done.
4. In **Debit** select *Stock – (Current Asset 13000)*
5. **Credit** select *Closing Stock (Cost of Sales 59000)*
6. Click on **OK** and check your reports.
7. Check by clicking on Reports, Ledgers and Trial Balance– Closing Stock in Cost of Sales should show the amount you just journalled and also in Current Assets Stock.

For each stock take that you take during the remainder of your accounting year enter the following journals:

For an **Increase** in stock value

1. Click on **Accounts** and **Journals** and **Add**
2. Put in the date as per the date of the stock take.
3. Put into the **Amount** the increase in stock value.
4. In **Debit** select *Stock – (Current Asset 13000)*
5. **Credit** select *Closing Stock (Cost of Sales 59000)*
6. Click on **OK** and check your reports.
7. Check by clicking on Reports, Ledgers and Trial Balance– Closing Stock in Cost of Sales should show the amount you just journalled and also in Current Assets Stock.

For a **Decrease** in stock value

1. Click on **Accounts** and **Journals** and **Add**
2. Put in the date as per the date of the stock take.

3. Put into the **Amount** the increase in stock value.
4. In **Debit** select *Closing Stock (Cost of Sales 59000)*
5. **Credit** select *Stock – (Current Asset 13000)*
6. Click on **OK** and check your reports.
7. Check by clicking on Reports, Ledgers and Trial Balance– Closing Stock in Cost of Sales should show the amount you just journalled and also in Current Assets Stock.