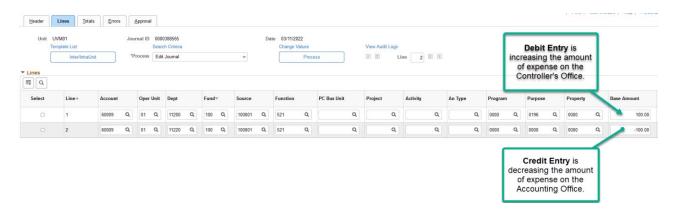
JOURNAL ENTRY DEBIT (Dr / +) AND CREDIT (Cr / -) CONVENTION

The Finance System is a double-entry accounting system. This means that entries of equal and opposite amounts are made to the Finance System for each transaction. As a matter of accounting convention, these equal and opposite entries are referred to as a **debit** (Dr) entry and a **credit** (Cr) entry. For every debit that is recorded, there must be an equal amount (or sum of amounts) entered as a credit. For example, if there are debit entries which total \$100, then all credit entries must total (\$100).

Note: It is not the *number* of debit entries that needs to be the same as the *number* of credit entries. It is the *dollar amount* of the debit entries which must be equal to the *dollar amount* of the credit entries, i.e., there might be two debit entries totaling \$100 and three credit entries totaling (\$100). By ensuring that the debit amounts always equal the credit amounts, the finance system remains in balance.

When processing transactions within the Finance System, debits and credits must be entered into the amount field of the task pages. This is done by using the accounting sign that will have the desired impact on the account and on the subsequent financial statements. When working in the Finance System panels, a debit entry requires no special notation. For a credit entry, place a **minus sign**, (-) *in front of* the number in the amount field. For example, -\$100.00.

The illustration below demonstrates the use of the debit and credit convention for an online journal entry.



This chart lists common accounting transactions and indicates whether the associated dollar amount should normally be a debit or a credit.

Type of Account	Normal Balance or Natural Sign for this Account	Transaction Description (What debits and credits do)	
Asset	Dr	Dr	Increase the amount of an Asset.
		Cr	Decrease the amount of an Asset
Liability	Cr	Cr	Increase the amount of a Liability
		Dr	Decrease the amount of a Liability
Revenue	Cr	Cr	Increase the amount of Revenue
		Dr	Decrease the amount of Revenue
Expense	Dr	Dr	Increase the amount of Expense
		Cr	Decrease the amount of Expense
Transfers IN	Cr	Cr	Increase the amount of a Transfer IN
		Dr	Decrease the amount of a Transfer IN
Transfers OUT	Dr	Dr	Increase the amount of a Transfer OUT
		Cr	Decrease the amount of a Transfer OUT