GENERAL LEDGER (GL)

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CHEAT SHEET & PRACTICAL GUIDE

Learn Today, Lead Tomorrow.

1 WHAT IS GENERAL LEDGER?

The General Ledger (GL) is the central record that contains all financial transactions classified and summarised by account.
It provides the foundation for accurate financial reporting and decision making.

KEY POINTS

- GL is the complete set of accounts that records all financial transactions.
- It summarizes transactions by account.
- It ensures accuracy and integrity of financial data.
- It supports preparation of financial statements.
- Accurate GL leads to reliable financial reporting and compliance.

2 GL PROCESS FLOW

1. Source Documents ↓
2. Journal Entry ↓
3. Post to General Ledger ↓
4. Review & Verify ↓
5. Adjusting Entries (if any) ↓
6. Reconcile Accounts ↓
7. Prepare Trial Balance ↓

GL CLOSED

3 IMPORTANT DOCUMENTS

- Source Documents (Invoices, Receipts, etc.)
- Journal Voucher
- General Ledger Report
- Trial Balance
- Adjusting Journal Entries
- Account Reconciliation Report
- Financial Statements
- Supporting Schedules & Analysis

MALAYSIAN COMPLIANCE

- ✓ Comply with LHDN record retention requirements
- ✓ Ensure e-Invoice transactions are properly recorded
- ✓ Follow MFRS / MPERS & company policies
- ✓ Maintain audit trail and supporting documents
- ✓ Ensure data integrity and access control

4 JOURNAL ENTRY (EXAMPLES)

Purchase on Credit

Account	Debit (RM)	Credit (RM)
Inventory / Purchases	5,000	–
Accounts Payable	–	5,000

Received Cash from Customer

Account	Debit (RM)	Credit (RM)
Bank / Cash	5,000	–
Accounts Receivable	–	5,000

Payment to Supplier

Account	Debit (RM)	Credit (RM)
Accounts Payable	5,000	–
Bank / Cash	–	5,000

Note:
Use appropriate accounts and descriptions based on the nature of the transaction.

5 TRIAL BALANCE (EXAMPLE)

Trial balance lists all GL accounts and their debit and credit balances at a point in time. Total debits must equal total credits.

Account	Debit (RM)	Credit (RM)
Cash at Bank	15,000	–
Accounts Receivable	20,000	–
Inventory	18,000	–
Property, Plant & Equipment	50,000	–
Accounts Payable	–	12,000
Loan Payable	–	25,000
Share Capital	–	30,000
Revenue	–	28,000
Expenses	7,000	–
TOTAL	**110,000**	**110,000**

Trial balance helps to:
- Ensure arithmetical accuracy of the books
- Detect errors and omissions
- Provide a basis for financial statements

6 KEY GL ACCOUNTS

ASSETS
Resources controlled by the company that generate future economic benefits.

LIABILITIES
Present obligations resulting from past events.

EQUITY
Residual interest in the assets of the company.

REVENUE
Increases in economic benefits during the accounting period.

EXPENSES
Decreases in economic benefits during the accounting period.

7 RESPONSIBILITIES OF GL OFFICER

- Ensure all transactions are recorded accurately and on time.
- Maintain chart of accounts and account descriptions.
- Review and approve journal entries.
- Reconcile GL accounts regularly.
- Ensure supporting documents are complete and properly filed.
- Prepare trial balance and financial reports.
- Support audit and management queries.

8 BEST PRACTICES

- Record transactions accurately & promptly
- Maintain data integrity & security
- Reconcile accounts regularly
- Keep supporting documents organised
- Use clear account codes & descriptions
- Review & validate journal entries
- Close books monthly on time
- Monitor reports & variances

9 INTERVIEW QUESTION

Q **Why is General Ledger important?**

A The General Ledger is important because it provides a complete and accurate record of all financial transactions. It supports financial reporting, helps management make informed decisions, ensures compliance with regulations, and facilitates audit and verification.

REMEMBER!
A strong GL process = Accurate records + Reliable reports + Better decisions + Compliance assurance.

TAX & E-INVOICE REMINDER
Ensure all transactions, including e-Invoice (MyInvois) are properly recorded in the GL and retained as required by LHDN.